









# Soccer club told to pay PCs £265,000 for riot injuries

By MICHAEL HORSNELL

READING Football Club was ordered to pay over £265,000 in damages yesterday to five policemen injured during a riot in the first civil action of its kind in England.

Mr Justice Drake ruled in the High Court that Reading FC was negligent in failing to carry out repairs to ensure the safety of its Elm Park ground. The officers were injured by lumps of concrete thrown during unprovoked violence by rival supporters during a "needle match" in April 1984 between Reading and Bristol City for promotion to the second division.

The bulk of the damages, £258,618, went to former sergeant David Cunningham, aged 35, of Russell Road, Newbury, Berks, who was knocked to the ground when a piece of concrete hit him on the back of his neck and he

was left fearing for his life as supporters kicked and punched him. He retired from the force in October 1984 on medical grounds.

The other four officers suffered multiple cuts and bruises. Sergeant David Hart, 39, of Barton Road,



Mr Justice Drake: club failed to ensure safety

Titchmarsh, Reading, and PCs Kenneth Timberlake, of Tyrell Gardens, Windsor, Berkshire, and Robert Turley, 41, of The Garth, Yarnston, Oxford, received £1,500 each. PC Hayden Wood, 26, of Castle Street, Reading, was awarded £2,000.

The judge said the Elm Park ground was appallingly dilapidated. Four months earlier supporters had thrown lumps of concrete. The club should have foreseen it was "very probable" that, if there were trouble, hooligans would use lumps of concrete as missiles.

Less than £3,000 worth of repair work to the terraces would have stopped hooligans tearing up concrete to throw at the police, he said. The third division club, which is considering an appeal, was also ordered to pay costs unofficially estimated at £50,000. The club, currently losing £14,000 a week, hit out angrily after the case because it claimed it was cleared by a FA commission of any blame for the violence.

The officers were among 130 on duty at the match. More than 2,500 City supporters were at the game and a riot broke out after Reading scored their first goal in a 2-0 victory; 48 people were arrested as referee Daniel Vickers took the players off the field.

A month later a five-man FA commission heard evidence for four hours before ruling that "all reasonable" precautions had been taken to avoid trouble and neither club was to blame. Commission chairman Les Mackay said: "We naturally deplore the actions of a mindless minority, but under FA rules the clubs are not guilty."

Yesterday Reading's managing director Mike Lewis, who gave evidence at the High Court, said the decision was "ridiculous". He was bitter because no damages were awarded against the police for negligence and because "the supporters who caused the trouble came from Bristol City and they have got away with this sort-free".

Reading had denied blame and argued that if anyone was liable it was the chief constable of Thames Valley as the officers' employer.

## Barrister tells of attack by pilot

A BARRISTER yesterday told a jury that his wife's lover had tried to strangle him with a rope after an alleged murder plot went wrong.

Mr Christopher Whybrow, aged 55, said that Dennis Saunders had told him: "If you don't stop struggling I will strangle you."

Cross-examined by Mr Rook Tansy, QC, representing Mr Saunders, Mr Whybrow said at Norwich Crown Court that Saunders had deliberately put a rope around his neck and tightened it as they struggled by the side of a large pond in the grounds of his home in Leavenworth, Suffolk.

Mrs Susan Whybrow, aged 50, and Mr Saunders, aged 55, a flying instructor, deny conspiracy to murder Mr Whybrow and an alternative charge of conspiracy to cause grievous bodily harm.

The jury was told earlier that Mrs Whybrow and Mr Saunders had intended to stage an accident involving a tractor used for mowing, making it appear that he had fallen and drowned in the pond.

They had decided to "do away" with him in 1989. Mrs

Whybrow drove Mr Saunders to the farm and lured her husband into the sitting room, it was alleged. Mr Saunders had burst in, overpowered Mr Whybrow and bound and gagged him. However, he broke free after being taken to the pond.

Mr Whybrow, who specialises in planning and property deals, said yesterday: "When the rope was put round my neck I somehow found more strength. That was a turning point in the fight." He agreed that it had stopped suddenly and that Mr Saunders had apparently left him on the ground. He had swum across the pond to safety.

Mr Whybrow denied hearing Mr Saunders, of Endeavour Court, Colchester, Essex, say: "No one is going to kill you."

He also denied that at the end of the struggle Mr Saunders had said to his wife: "He has had enough. Let's go."

Mr Whybrow said that his wife was a "considerable flirt" and they had rowed frequently.

The trial continues.



Moving on the Right Rev Tom Butler, area bishop of Wilkes, London, with his wife, Barbara, after being named as the next Bishop of Leicester.

## Nazi enquiry may cost £2.7m

By QUENTIN COWDREY, ROME AFFAIRS CORRESPONDENT

POLICE investigations into alleged Nazi war criminals living in Britain could take three years and cost about £2.7 million.

In June, after peers had rejected the war crimes bill, Scotland Yard had to disband a squad that had been set up to conduct the enquiries. However, with ministers determined to activate the Parliament Act if peers dismiss the bill a second time, police are

again preparing for the enquiry. Commander Roy Fenrose, head of Scotland Yard's international and organised crime branch, said that a squad of detectives, lawyers, historians and interpreters would start interviewing suspects soon after the bill received Royal Assent. "The aim would be to hit the ground running," he said, because people involved were elderly and speed would be essential.

"What we can't and mustn't do is start the investigation proper prior to Royal Assent because that would be to act without legal basis."

Mr Fenrose said the investigation would probably last two to three years and would have many similarities to a complicated fraud enquiry. He would not comment on the cost but it emerged from government sources that it would be about £900,000 a year.

## Three ways to outperform any dot matrix

There are three printers in the new Canon bubble-jet range, all of which leave any dot matrix printer for words.

A bold claim. But then we're not merely comparing one printer with another. We're talking an entirely different print technology.

To begin with, bubble-jet printing is simple, clean and cost-effective. But there's more.

Daisywheel and dot matrix are nothing if not noisy. Our non-impact bubble-jet technology, by comparison, is virtually silent.

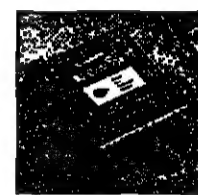
Bubble-jet is fast. Both BJ-300 and BJ-330 for

instance, give you 300cps in draft mode; 150cps in HQ mode.

In terms of print quality, bubble-jet beats dot matrix hands down. All our bubble-jet printers have 64-nozzle print heads, and all operate at up to 360dpi - with Near-Laser Quality output.

No daisywheel can handle graphics or type ornamentation, whereas dot matrix gives you both. But so does bubble-jet - with nothing like the noise.

Best of all, bubble-jet technology is unique to us. Which means that you're not just choosing a better printer. You're also getting a Canon.



The BJ-100 bubble-jet computer is available in standard.

## PC warned father of crash boy

A POLICE motor cyclist told a jury yesterday that he warned a father of the dangers of letting his young sons ride motor cycles in a public park.

Nine months after the warning, the man's ten-year-old son had been involved in a fatal crash in the park while riding a scramble bike. Chelmsford crown court was told. A pedal cyclist, Gary McCann, aged 11, was hit by the machine and killed.

The father, aged 32, who cannot be named for legal reasons, denies the manslaughter of Gary, of Laindon, Essex. The case has been brought on the grounds that the father was grossly negligent in supervising his son.

The policeman, PC Stephen Cleaver, said that in February 1989 he had seen two motor cycles being ridden in the park by the defendant's sons, and had told the father that this was illegal and dangerous.

PC Cleaver said: "He was argumentative and indicated he would continue to use motor cycles on the park." The trial resumes today.

## Move to healthier eating 'is failing'

By THOMSON PRENTICE, MEDICAL CORRESPONDENT

THE government's aim of influencing people to follow a healthy diet by the end of the decade seems unattainable in spite of years of research, expert reports and education campaigns, according to a report by food specialists.

"Consumers have lost faith in food, not just in specific products or individual companies... but in all members of the food network," the paper, prepared by the National Consumer Council and other food health groups, says.

The findings were discussed yesterday at a conference organised by the British Dietetic Association and the Health Education Authority. Ann Foster, of the consumer council, said that education programmes were failing to influence people's attitudes towards eating and health. A fresh approach to food and nutrition policy was needed.

David Maclean, the food minister, said that the government was to spend more than £17 million this year on research into food safety and nutrition, an increase of al-

most a third over the last three years. The expenditure was to help to improve the nation's diet by the end of the century. "A good diet will improve the health of the nation and I am sure nutrition will take a far higher profile in the 1990s," he said.

The first essential step, he said, was to establish a sound scientific basis for dietary advice to consumers, which had to be clear in spite of shifts in expert opinions. The second was to tell people what they really needed to know in a way that could be readily understood. But policymakers should not be dictatorial or prescriptive. "We cannot force our views on others and must not make the easy assumption that ours is the only right view."

He added that too many young people were eating unhealthy, unbalanced meals. "I am on record as defending the humble hamburger, but living entirely on a diet of burgers, chips and cola is as unhealthy as eating only raw vegetables and muesli."

## Council's Kuwait mission

By SHEILA GUNN, POLITICAL CORRESPONDENT

A MISSION will set out for Kuwait from Britain at Easter to help to salvage the country's education system after the devastation of war. It will include officials from the British Council and the John Laing partnership.

Iraqi forces stripped colleges and schools of equipment, wrecked buildings and killed teachers, and the consortium has put together emergency and long-term proposals for reconstruction. The project will be self-financing with Kuwait picking up the bill.

The mission demonstrates the reshaping of the British Council after surviving both Labour's threat of dismemberment in the 1970s and severe criticisms by Margaret Thatcher in the early 1980s when the gov-

ernment grant was cut by 20 per cent.

The council has emerged a more bullish, cost-effective machine, boasting corporate plans and commercial sponsorship. Within a few years only half of the £400 million annual budget will come from public funds.

Sir David Orr, the council's chairman, said: "We are in very good shape and have come through difficult times with improved efficiency. Now we have an enormous challenge suddenly in the eastern bloc and also in western Europe, southern Africa and the Middle East."

The council's new projects in Eastern Europe cover a scheme with Rank Xerox to train managers to run businesses and administrations, carrying out contracts under

the government's know-how fund and organising the National Theatre's recent tour with *King Lear* and *Richard III*.

Much of the council's work in arranging student exchanges, training and literacy courses goes unpublished but it underpins the council's role in spreading Britain's influence abroad. Edmund Marsden, the council's director of corporate affairs said: "There is an integrity about Britain, the way its institutions operate and the whole concept of consensus and fairness and, in our arts, a certain freedom of spirit but also an unconventional, even eccentricity. We try to sustain that image."

Palestinian split, page 8

## Widow of baron to face race charges

THE Dowager Lady Birdwood, aged 77, is to face race charges under the 1986 Public Order Act (Michael Horsnell writes).

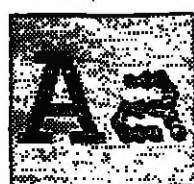
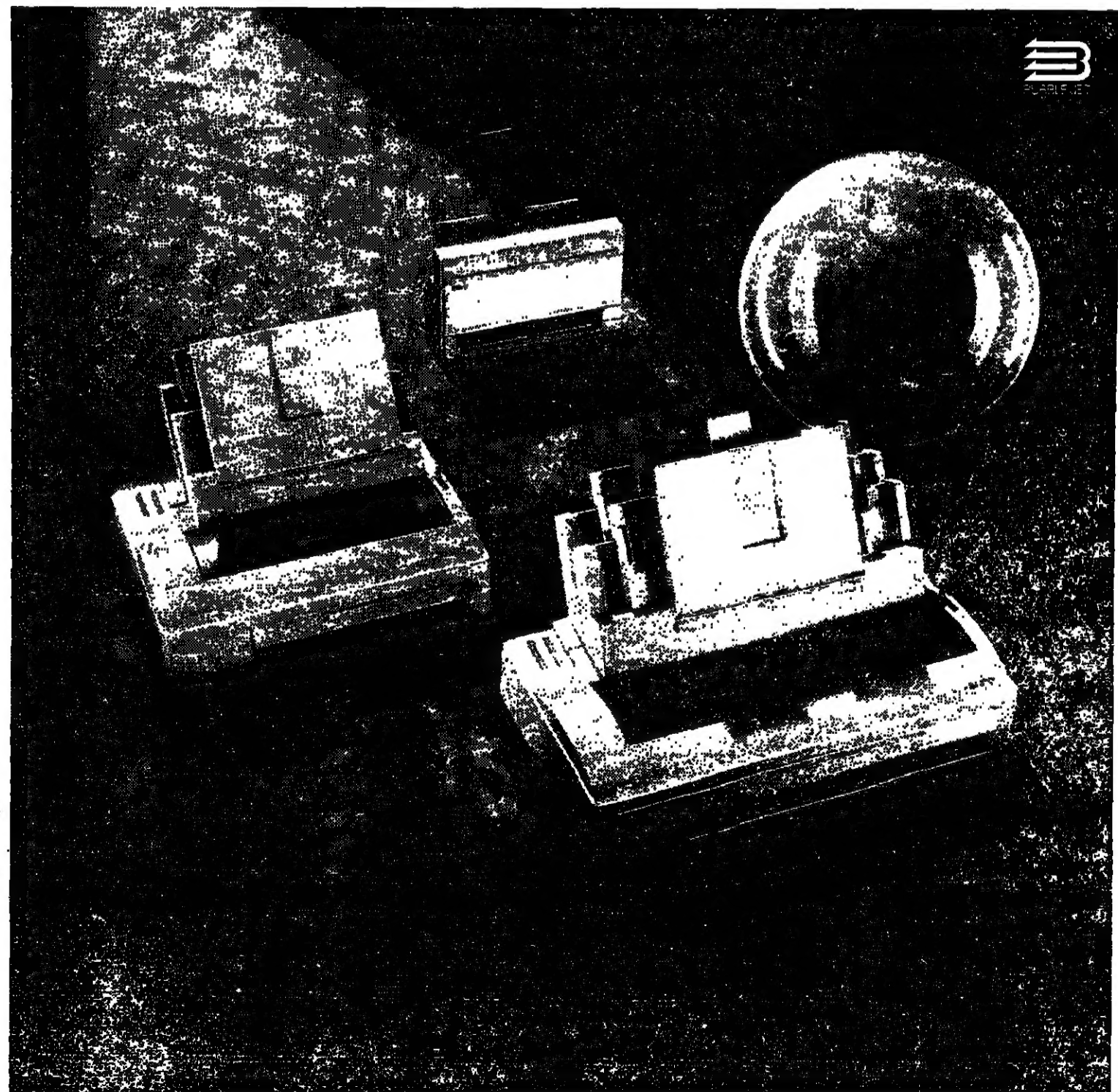
Jane Lady Birdwood, as she prefers to be known, has been summonsed to appear before Horseferry Road magistrates in central London next month for alleged possession of anti-semitic leaflets and intent to distribute them.

Sir Patrick Mayhew, the Attorney-general, authorised the prosecution under section three of the act, which embraces a range of offences known collectively as incitement to racial hatred. It is understood that the summons relates to four leaflets, *The Ultimate Blasphemy, Jewish Tribes to Our Child Marys, The Shades of March and Another Blood Libel or Ritual Murder*.

Lady Birdwood, the right-wing widow of the second baron, stood as an Independent Patriot at the 1983 Bermondsey by-election, attracting 69 votes.

The case is one of three unrelated prosecutions approved by the Attorney-general in the past six months and form the first batch under the Public Order Act which updated previous legislation. The two other cases are under consideration by magistrates in London.

Leaders of the Jewish community have expressed concern about growing propagation of anti-semitic literature and the incidence of assaults in Britain.



Bubble jet 100 matrix

desktop printer for home and office use.

For heavy duty applications, choose our top-of-the-range BJ-300 or BJ-330. The BJ-300 offers versatile paper handling (including built-in tractor feeder, and optional single/dual-bin cut-sheet feeders). The BJ-330, in addition, provides 136 column-width at 10cps - ideal for spreadsheet, legal and accounting

output. Both BJ-300 and BJ-330 have three resident fonts in a range of pitches, IBM® and Epson® emulations, and optional font cards to increase your choice of typefaces.

So whatever the scale and nature of your print requirements, there's a Canon bubble-jet for you. For full details of all Canon bubble-jet printers, call 0800-252223 free of charge, or write to Richard Bithell at the address below.

**Canon**  
BUBBLE JET PRINTERS

Please send me details of the following Canon printers:

☐ BJ-10e ☐ BJ-300 ☐ BJ-330

Name \_\_\_\_\_ Title \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

Nature of business \_\_\_\_\_

To: Richard Bithell, Canon Text and Data Products, First House, Sutton Street, Holloway Road, Birmingham B1 1PE

\*Epson is a trademark of EPSON America, Inc. IBM is a registered trademark of International Business Machines Corporation, Inc.



# Breweries accused of squeezing out their faithful landlords



Carl Oram: gazzumped in purchase of public house

THE organisation that represents Britain's public house tenants has submitted a detailed dossier to the Department of Trade and Industry claiming that the big brewers are wrecking the lives of many long-serving publicans.

As the result of a Monopolies Commission investigation the brewers must sell large parts of their tied estates, but the National Licensed Victuallers Association complains that instead brewers are turning profitable tied public houses into managed houses.

The DTI agrees with the association that the intention of the Monopolies Commission was not to see licensees and their families

made jobless and homeless. However, the association has submitted details from each of its regions of publicans who have been told that their public houses are to be turned into managed houses, have been sent new leases with much higher rents or have been told to get out or buy the freehold at rates far above local valuations.

The association says that the biggest and most profitable public houses are being seized for management and the less viable ones sold at inflated prices. Many tenants whose premises are being taken into management are those who have built up the businesses over the years, and they are being

## David Young reports on hardships caused by the enforced sale of tied public houses

offered derisory compensation payments. Other public houses are being offered in blocks to other brewers or to property companies, and sitting tenants are often unable or unwilling to buy.

Alan Lawrence, of the Fox and Hounds at Thorpe Audlin, West Yorkshire, managed to persuade Whitbread to reverse a decision to turn his property into a managed house. The brewer then refused to

renew his existing tenancy agreement and offered a new lease for 20 years, trebling his annual rent from £21,000 to £70,000 for the first three years. Mr Lawrence is now appealing to the brewers to have the rent reduced.

At Branton, near Doncaster, Terry Hamilton has spent £20,000 over the past eight years building up business at the Three Horse Shoes, but was told by Bass, his brewer, that the public house, his home, was being taken from him to become a managed house. Mr Hamilton said: "My wife and children live here and it is our business. What am I supposed to do now? I have doubled sales of

Bass here, and this is how I have been rewarded." He is considering an offer to remain as manager instead of landlord.

In Sevenoaks, Carl and Mary Oram were told that their public house, The New Inn, was being sold by Bass. They offered £150,000 and then upped their offer to £190,000, which was accepted and a loan arranged by Bass. However, after spending £2,000 fees and after planning improvements, the Orams were told that their premises were being sold as part of a group. The victuallers association has accused Bass of gazzumping and asked that negotiations be resumed with Mr

and Mrs Oram. Alan Bartlett, president of the association, said: "The brewers have overreacted and, in their greed to grab back all the best pubs into their control, they are wrecking the lives and careers of publicans and their families who may have given a lifetime to the trade."

Bass, which is shedding 2,680 premises and moving 580 from tenancy to management, said that it was trying to deal as sympathetically as possible with a situation forced on it by the DTI. A spokesman said: "We have inherited a situation which we did not ask for and are trying to resolve as fairly as we can."

## 500 extra troops sent to Ulster in border review

By EDWARD GORMAN, IRISH AFFAIRS CORRESPONDENT

FIVE hundred extra troops have been sent to Northern Ireland as temporary cover while two checkpoints are dismantled in a big review of border security.

The deployment, consisting of men from the first battalion of the Cheshire regiment, is part of a change in tactics by the army in County Fermanagh where permanent border checkpoints (PVCs) manned by soldiers have been attacked regularly by the IRA.

Peter Brooke, the secretary of state for Northern Ireland, said in a statement that checkpoints at Derryard, near Rosslea, and Boa Island, were being removed. Mr Brooke said he had decided to close

the checkpoints after the "most careful consideration" on how best to make use of the resources available to him to counter terrorist activity.

"I have concluded that the security value of the soldiers currently stationed at the Boa Island and Derryard PVCs will be increased when they are actively deployed in wider patrolling duties in those areas," he said. Mr Brooke added that a number of border roads would be closed to further tighten security. The decision could spark protests from local residents inconvenienced by night-time closures.

The decision to opt for a mobile security presence in the border areas of Fermanagh follows a concerted campaign by the IRA against checkpoints. In December 1989 Derryard was attacked by up to 12 Provisionals equipped with a car bomb, heavy machine guns and RPG-7 rockets. Two soldiers were killed but military sources admitted losses could have been much higher if the car bomb had detonated properly.

## Car firms are urged to reduce prices

By KEVIN EASON, MOTORING CORRESPONDENT

CAR makers were urged yesterday to cut prices to bring them into line with those of other European countries. Max McHardy, chairman of the British Vehicle Rental and Leasing Association, said that British buyers were being forced to pay "over the top" for new cars.

Members of the association, which represents the biggest car, van and truck fleet operators, buy more than 500,000 new vehicles every year. Mr McHardy criticised the "scant regard" of manufacturers for the knock-on effect of prices on depressed second-hand car values.

He said: "There is much evidence that a great number of new cars sold here are priced substantially above similar models in the rest of Europe." At a time of slack demand the way forward was to cut or stabilise new-car prices to reverse their above-inflation rate of increase.

The practice of marking up prices to allow greater room for discounts for company fleet buyers had upset the balance of the entire market. Private buyers had to support those discount deals by paying higher prices, while discounts had a severely damaging effect on second-hand prices.

The association met yesterday to choose the winner of its annual anti-theft award, given to the manufacturer that has done most to enhance vehicle security. The result will be announced on April 15, the start of National Crime Prevention Week.

## National parks overwhelmed by their success

John Young and Peter Davenport look at pressures that could mean visitors being steered to less popular areas

FORTY years after the creation of the first national parks, one of the biggest headaches is that they are too popular.

While that can be seen as a tribute to the success of the parks—brought into being by the National Parks and Access to the Countryside Act, 1949—it is becoming increasingly difficult in some areas to reconcile the two principal objectives: meeting the recreational demands of millions of visitors while preserving the wild and beautiful countryside that they come to see.

Last week the Yorkshire Dales national park committee refused to accept a plan by the local tourist board to boost tourism in North Yorkshire. Committee members attacked proposals for new roads, visitor accommodation and wet weather attractions, and described tourism as the greatest threat to the park.

One man who is acutely aware of the paradox is Sir Derek Barber, who retires this month after ten years as chairman of the Countryside Commission, the government body with overall responsibility for the parks.

"Last year the Peak District park recorded 22 million visitor-days," he says. "In order to maintain the quality of the landscape, we have to guide people into the areas where we want them to go. In the Peak District the park authority has been able to close some roads, but there is no doubt that more powers are needed in future."

Sir Derek wants a national strategy to take the pressure



Assault course: mountain bike riders, families and a dog take on Dove Dale in the Peak District, which recorded 22 million visitor-days last year

off the most heavily visited parks—the Lake District, the Peak District and Snowdonia—and to publicise the attractions of such "underused" parks as Northumberland and the Pembrokeshire coast.

The delegation of greater powers to the park planning authorities is also a tricky issue. Sir Derek says there is an obvious dilemma in trying to reconcile the preservation of the landscape that visitors

want to see with the maintenance of a rural economy.

Last month 10,000 people living within the Brecon Beacons national park signed a petition complaining of excessively restrictive planning policies. Among those who feel most aggrieved are farmers and, as a farmer himself, Sir Derek acknowledges their role as landscape "managers".

In the North York Moors

park an experimental scheme that pays farmers to undertake conservation work on their land and buildings has proved so successful that it is to be expanded to other areas. It allows national parks to achieve their statutory objectives through the efforts of resident farmers.

But although farmers may be won over by financial incentives, Sir Derek acknowledges that objections to

the creation of new national parks will be difficult to counter.

A compromise was reached in the case of the Norfolk Broads, which enjoy special protection without official park designation. Other obvious candidates are the South Downs and the New Forest, but either would be controversial, not least because of the extra visitors they would attract.

## Court told of grinning gunman

A GUNMAN ambushed and shot dead a policeman, then bragged about it and said he had killed for love, the Central Criminal Court was told yesterday. Mark Gaynor allegedly told police that he had "blown away" PC Laurence Brown due to being rejected by a girl friend.

"I loved her, and, to prove that, I murdered a copper," Mr Gaynor told PC Gerry Campbell, the officer said in evidence. The constable had seen the "grinning" gunman at a police station after his arrest.

Chief Supt Niall Mulvihill said of Mr Gaynor: "He was basking in the attention he was receiving. He was quite clearly excited and was continually talking in what I deemed to be an arrogant manner. He said: 'Yeah, I shot the copper. I blew him away.'"

Mr Gaynor, aged 21, is alleged to have lured police in Hackney, east London, with a false 999 call and to have killed PC Brown with a sawn-off shotgun. Mr Gaynor, of no fixed address, denies murder. The trial resumes today.

## Appeal to save RAF giant of skies

By PETER DAVENPORT

AN APPEAL to raise almost £500,000 to save the last Blackburn Beverley aircraft, once the largest RAF freighter, was launched yesterday. A pound donated to the Museum of Army Transport will sponsor a river in the airframe and help to provide a purpose-built hangar to house the restored aircraft.

After a nine-year programme the Blackburn Beverley XB259 has become an outdoor exhibit at the museum on Beverley in Humberside, the sole survivor of the 47 built locally and which operated in four RAF squadrons from 1956 to 1967.

They took part in military operations in the Middle and Far East, airlifting troops and heavy equipment, and in famine relief operations. Among the aircraft's more unusual missions were parachuting cats in Sarawak to combat a plague of rats and rescuing Arabian oryx from the threat of poachers.

The Beverley was the largest aircraft to go into production in Britain and pioneered short take-off and landing heavy-lift aviation. It weighs 70 tons, has a 163ft

wingspan, and is 100ft long. It was designed to carry 20-ton loads. The plane was built by the Blackburn Aircraft Company, later part of British Aerospace, at Brough, near Beverley. Its size, lumbering characteristics and unappealing lines generated a wealth of military folklore.

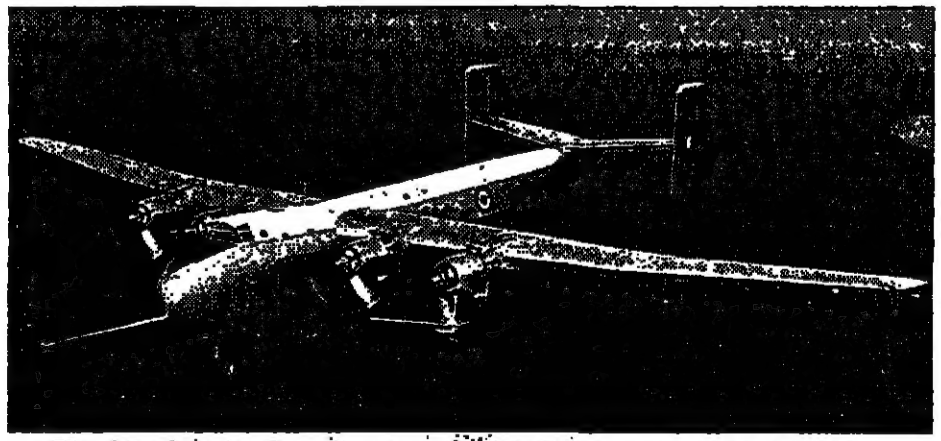
Aircraft XB259 had been stationed throughout its service life at the Royal Aeronautical Establishment at Farnborough as a "test bed" and flew fewer air miles than

the other Beverleys. After their discharge from service most were scrapped but XB259 was sold as a flying club building and made its last flight into the Hull Flying Club in 1974.

In 1983, after being sold privately, it was offered to the museum on long-term loan, taken apart, taken to its new site and re-assembled. The work was done by enthusiasts, local companies and the Community Programme in a project that cost £300,000.

The aircraft has now been donated to the museum.

The museum, a venture between the local council and the Institution of the Royal Corps of Transport, said that although the Beverley will never fly again it is essential to house it in a purpose-built hangar. Colonel Edward Pean, museum founder and project manager for the appeal, said: "We have been told on expert advice that the aircraft would only last five to seven years if it is left in the open."



Ungainly giant: the size and appearance of the Beverley generated RAF folklore

## Samaritan "in sex assault"

A Samaritan sexually abused a woman caller after she rang the organisation for help, Stafford crown court was told yesterday.

The divorcee, aged 35, was undressed and sexually assaulted after the Samaritan, Gary Adams, went to "give her a hug" after she rang for help, the court was told.

Mr Adams, aged 36, of Clayton, Newcastle-under-Lyme, denies a serious sexual offence. He is alleged to have visited the woman's terraced home in October 1989 after she rang him while he was on duty at a Samaritan office in Stoke-on-Trent.

The trial continues today.

## Death damages

The High Court awarded £200,000 damages to the widow and son of John Martin, a drain cleaner aged 23, who was killed by poisonous gases in a blocked drain in Neasden, northwest London. His former employers, Draincare of Greenford, west London, also agreed to pay £31,000 to a colleague who collapsed but survived.

## Air force victims

The three men killed when a Canberra jet crashed on Monday near RAF Wyton, Cambridgeshire, were named as Group Captain Reginald McKendrick, the station commander, and Flight Lieutenants Stephen Wilkinson and David Adam.

## Icke resigns

The former TV sports presenter David Icke has resigned as spokesman for the Green party and said "astounding revelations" in his forthcoming book would explain why. *The Truth Vibrations* is to be published in May.

## 200 jobs go

Two textile mills at Belper and Matlock in Derbyshire, owned by English Sewing, part of the Tootal Group, are to close with the loss of more than 200 jobs.

## High horse

A shire horse called King from Yealmon, Devon, who stands 19.2 hands high (about 6ft 4in), has claimed a place in *The Guinness Book of Records* as the tallest living horse.

## First flights

The first passengers to use the new £400 million terminal at Stansted airport in Essex flew out yesterday.

**PUNCH**

Makes life less taxing

High interest for just £1.20 - Out today

## Ballet and opera plans for New York collapse

By ANDREW GREEN

THE ambitious plans of the Entertainment Corporation, the British promotion group that made its name by putting the Bolshoi and Kirov companies on tour in the West, are in question this week after the apparent collapse of its attempt to take the Bolshoi Opera and the Royal Ballet to the Metropolitan Opera House, New York, this summer.

Acute financial problems are forcing the group's American arm, Entertainment Corporation USA (Eousa), to reconsider its commitment, the first fruit of an agreement signed last year for Eousa to rent the Met in the summers.

The Met may decide to protect its

image by promoting the Bolshoi season from its own resources. The Royal Ballet is also talking directly to the Met about salvaging its visit. Jeremy Isaacs, the Royal Opera House's general director, visited New York for talks last week.

Peter Brightman, co-chairman of Entertainment Corporation, confirmed that Eousa's financial position was under review. However, liquidation "would only be necessary to satisfy the demands of major new investors for a fresh start", he said.

Entertainment Corporation's bold entrepreneurial spirit has never been in question. It has brought huge opera, ballet and circus troupes to the West and has a much-vaunted plan to build a 3,400-seat dance theatre in London. Its recent mis-

fortunes may stem from three problems: the increasing indifference of Western audiences to tours by Soviet ensembles, even those with famous names; hostile critical reception; and the fact that many ensembles have lost leading performers to the West.

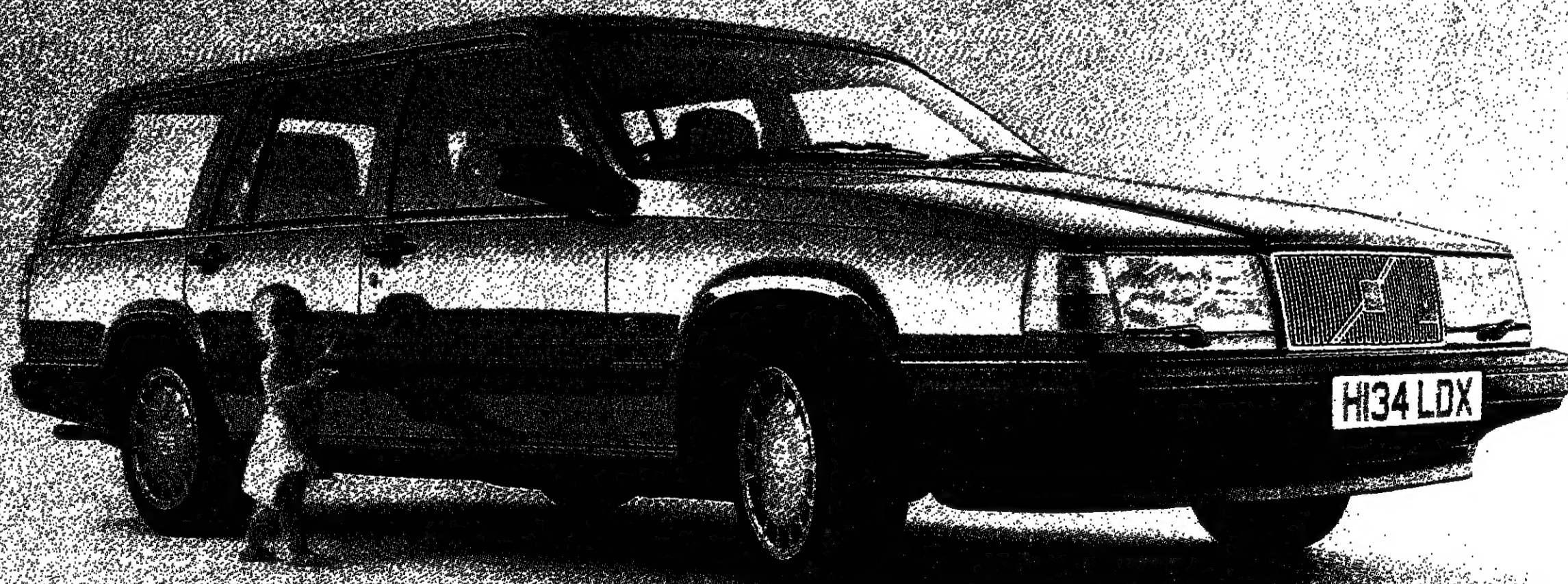
Last year a US tour by the Georgian State Dance Company had to be curtailed after a disastrous box-office response. Mr Brightman blames the failure on "the Iraqi thing". At the same time he claims success for an 11-city US tour by the Bolshoi Ballet last year which he says took about \$12 million (£6.5 million).

In Britain, the proposed tour last summer by the Red Army Ensemble collapsed before it started. Creditors

await the decision of insurers on what can be distributed. Mr Brightman says that the tour was wrecked by a rival Red Army tour, saying that he had Soviet assurances that only one group under the Red Army name would tour Britain during the period. He described the tour as "a hell of a mess" and added: "No company could cope with a blow of that kind."

Much depends on the six-year exclusive sponsorship, commercial, and public relations deals struck in 1989 by the Entertainment Corporation with the Bolshoi and Kirov ballets. Those, too, have been marred by Soviet claims of "unpaid fees" from Western engagements, although Mr Brightman insists that the disagreement has been settled.





## THE NEW 2 LITRE TURBO VOLVO 940 ESTATE. NOT BAD FOR YOUR FIRST CAR.

To be honest, cars used to bore me to tears. Then we got a Volvo. A Volvo 2 litre Turbo 940 Estate to be precise.

155 bhp, according to dad. And below the £19,250 and the 2 litre tax limits. Whatever they are.

Of course, being a Volvo, it's as safe as houses.

It's got steel bars reinforcing every door. Crumple zones. And Volvo's legendary rigid steel safety cage.

It's also got plenty of space for my travel cot, my pushchair and a generous supply of nappies.

And bags of room for all the paraphernalia that mums and dads like to cart about with them.

When the time comes for me to get behind the wheel myself, they say it should still be on the road.

So you never know. My first car might well turn out to be my first car.

**VOLVO**

ASK YOUR DEALER ABOUT VOLVO LIFE-TIME CARE AND DETAILS OF FREE CHILD SEAT PROGRAMME. ALL NEW VOLVOS RUN ON UNLEADED PETROL AND ARE FITTED WITH CATALYTIC CONVERTERS AS STANDARD. NEW 2 LITRE TURBO 940 ESTATE £19,250 INC. CAR TAX & VAT KEYCL. STANDARD NATIONAL DELIVERY CHARGE £240. INC. VAT. PRICES AND TAX LIMITS CORRECT AT TIME OF GOING TO PRESS. PERSONAL EXPORT SALES TEL 0207 716 366. FOR A BROCHURE TEL 0800 800 430 FREE.



## East Germans rise again to challenge the new bogeymen

FROM ANNE McELVOY IN LEIPZIG

THERE is a curious sense of *déjà vu* in east Germany. Demonstrators are again on the march on the streets of the big cities. Christian Führer, the Leipzig vicar whose prayers for peace at the Nikolai church gave the starting signal for the 1989 uprising, is back on a podium, again warning of the "dangers to peace in the land". Even the faces in the crowd bear the same distrustful and discontented expressions they did then.

On Monday night, a year after the first free elections in the east, 70,000 took to the streets of Leipzig to protest at mounting unemployment, the low selling price of east German companies and the less

tangible, but dominant, feeling that, once again, east Germans are no longer masters of their fate. Protests also took place in Chemnitz and Cottbus. The targets are different — a placard of 1989 showing Erich Honecker, the deposed leader, in prison uniform has been replaced with a photograph of Helmut Kohl, the chancellor, in the same attire.

The Treuhänder — the federal agency responsible for privatising and often closing the east's companies — has assumed the "bogey man" status once held by the Stasi secret police. Many see a depressing link between their past and present malaise: the alliance of

former party officials who have clung to their power in the factories, and Western investors who are striking lucrative deals with them, often including mass redundancies in exchange.

Once again, the marchers file past the old secret police headquarters, which has a new lease of a life as the labour exchange. "We were all registered in there then, and most of us are registered in there now," said Jürgen Kolber, one of the unemployed protesters. The demonstration, growing in strength weekly, even has the same organiser: New Forum, the original opposition movement which fell into obscurity with the rise of the West German parties. These days, it is aided by the IG Metall trade union.

Jochen Kletzin, a union spokesman, estimates that only 15,000 of the 70,000 metal workers in the Leipzig area still have full-time work, with the majority working less than half their usual hours. For Herr Führer, the rise in frustration is a disturbing portent of what may happen when redundancy notice ends across the country in June. "The situation is worsening very quickly," he said. "Aggression is rising with the increase in social tension and a feeling of helplessness."

Underlying much of the discontent is the impression that, unification notwithstanding, western Germany cares little for the plight of the east. The days when Bonn politicians spoke emotionally of "our brothers and sisters" are gone, as are the celebrations at being united. "As long as the west's mentality consists of drawing the maximum profit from the east with only the minimum of input, we will not make progress towards true unity," Herr Führer said.

East Germans, he said, were lapsing back into their "niche society". He added: "Everyone is trying to get the best deals for themselves and their families, but there is very little regard for their fellow man."



Serbia calling: Vuk Draskovic, the Serbian opposition leader, announcing the postponement of an anti-government demonstration to March 27

## Army tries to ease fears

FROM REUTER IN BELGRADE

THE Yugoslav army says it will stop the country sliding into civil war, but has vowed not to interfere in political talks aimed at saving the federation.

"The Yugoslav army will under no circumstances allow armed inter-ethnic conflicts and civil war in Yugoslavia," the armed forces' supreme command said in a statement after months of rising tension, and street protests last week in Belgrade.

Significantly, it added: "The Yugoslav People's Army, as in the past, will not interfere in political talks on the country's

future." The army issued its statement to calm fears that it would impose emergency measures to restore order after the state presidency was deprived of decision-making powers by Serbia on Monday. However, the statement appeared to leave the door open to military action if tensions among the six republics and two provinces continued to increase.

Serbia and Croatia, the two biggest republics and historic rivals, have already mobilised police and militia reserves. Many Yugoslavs and dip-

lomats fear the army could try to act on its own to keep order after the presidency rejected its proposals last week to impose emergency measures to end mounting disorder in Serbia.



## Ukraine leader claims triumph

FROM ROBERT SEELY IN KIEV

THE referendum results in the Ukraine give the communist government a mandate to negotiate a new union treaty with President Gorbachev, Leonid Kravchuk, the republic's president, said yesterday. Addressing the Ukraine's supreme soviet, Mr Kravchuk said the referendum had been a triumph for the union and for Ukrainian sovereignty.

Out of all the victory claims in the republic, Mr Kravchuk's is the most believable. The referendum result achieved exactly what he asked the Ukrainian people for. He can now claim to represent the views of the people. Mr Kravchuk also has increased leverage with the central Soviet authorities in Moscow because he can point to the results of the Ukraine's own plebiscite which, although ambiguously phrased, called for partial independence.

President Kravchuk told the Supreme Soviet in Kiev: "The next step is a real and practical fight for a sovereign state. The people and the Supreme Soviet must work together in the same gear. Our people have decided they want to be in a union but they have also decided the kind of union they want to be in. Now we have a huge task for us in this Soviet (parliament) because we must work out the details of the new union."

Officially, Rukh, the republic's independence umbrella group, is pleased by Mr Kravchuk's statement. "We support his claim to want real sovereignty for the Ukraine and for strong economic links with our neighbours," a spokesman said.

However, by aligning themselves with President Kravchuk, Rukh faces the possibility of seeing the independence movement diverted to serve, not only the interests of the nationalist cause, but also the interests of the Ukraine's unelected communist president now wrapping himself in the cloak of a democrat.

## Walesa seeks debt relief

Warsaw — President Walesa yesterday took to Washington Poland's crusade for a big reduction of the foreign debts that are crippling its attempts to overhaul the economy (Roger Boyes writes).

Poland is already on the brink of a write-off agreement with the Paris Club, which represents the 17 Western creditor nations. Polish officials, after talks in Paris last week, said Western governments were ready to slice at least 50 per cent from the \$33 billion (£18 billion) owed to national treasuries. A further \$11 billion is owed to Western commercial banks. They are expected to take their lead from government creditors.

President Walesa's advisers believe President Bush is prepared to write off all of Poland's \$3.5 billion debt to the United States.

## Sewage order

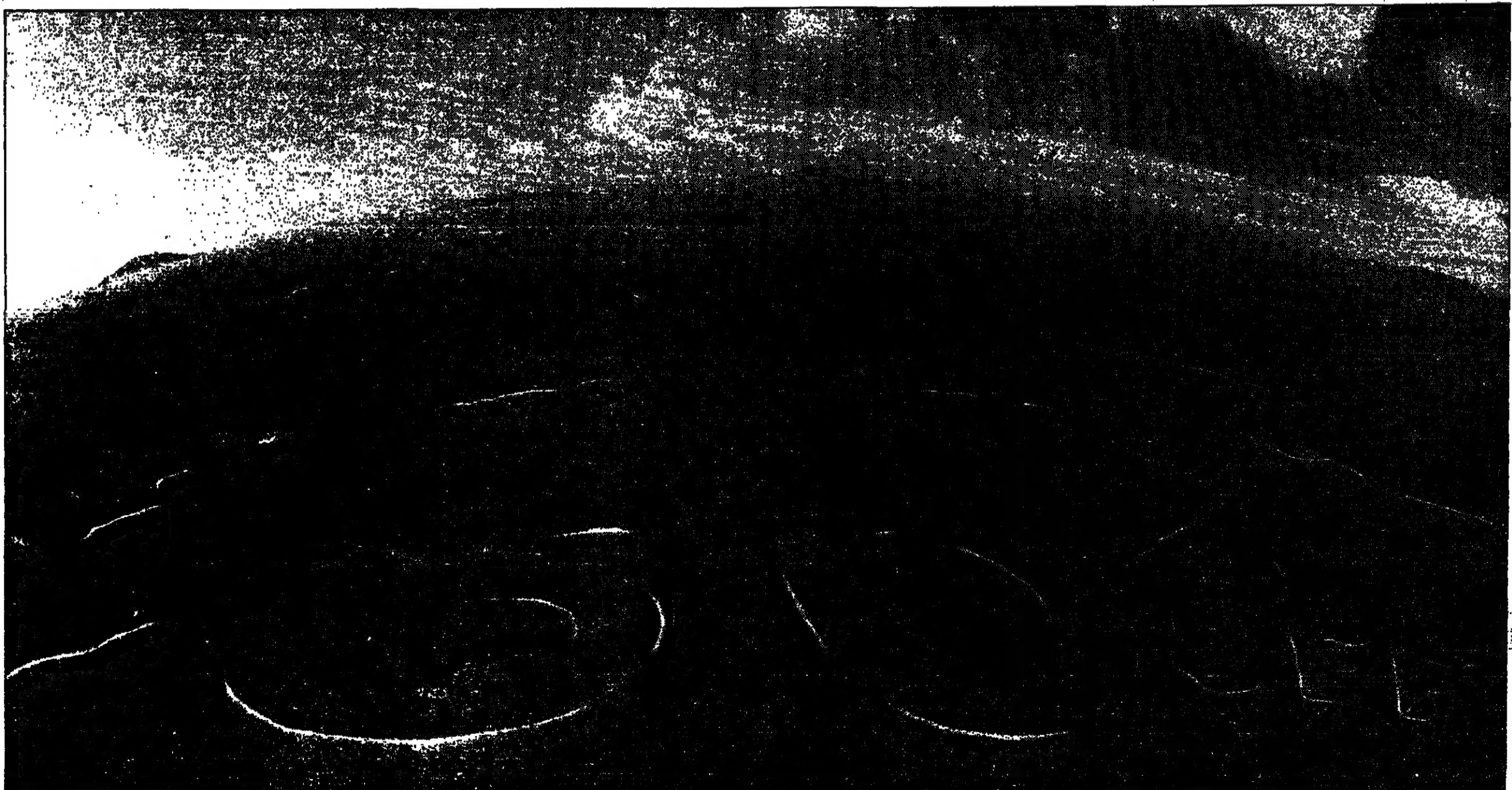
Brussels — All towns throughout the European Community with more than 15,000 inhabitants must have proper sewage treatment facilities by the year 2000, EC environment ministers agreed. Towns with a population of 2,000 or more must meet the same standards five years later. This will cost EC governments an estimated \$28 billion.

## \$4.5m charge

Prague — Vasil Bilak, Czechoslovakia's former chief communist ideologue, has been accused by a federal investigator of siphoning away 247 million Czech crowns (almost \$4.5 million) in foreign currency in a Soviet bank account between 1969 and 1988. Two former finance ministers and two former heads of the state bank are being questioned.

## Fugitive held

Nice — A Texas woman, on the run for allegedly hiring contract killers to murder her husband and his mistress, has been captured in Venice in France, police said. The arrest of Joy Davis Aylor, aged 42, ended a three-year flight from justice that took her from Dallas to Mexico and Europe. (Reuters)



## With an Airpass ticket, Bali's sister islands look even more attractive.

You'll discover some really breathtaking places when you add an Airpass ticket to your Bali holiday.

Because it allows you to fly on to as many as 34 other exciting Indonesian destinations, with reductions of up to 60% on your air travel.

So you can easily afford to visit Sumatra and meet orang-utans in their natural habitat.

Or listen to a thousand years of silence inside an intricately carved temple in Java.

There are countless fascinating people to meet,

festivals to experience, and cultures to marvel at.

We've created the Airpass ticket especially for Visit Indonesia Year 1991, and we fly to Bali three times a week from Gatwick.

For more information simply phone us now in

London (071) 486 3011 or Manchester (061) 832 6384.

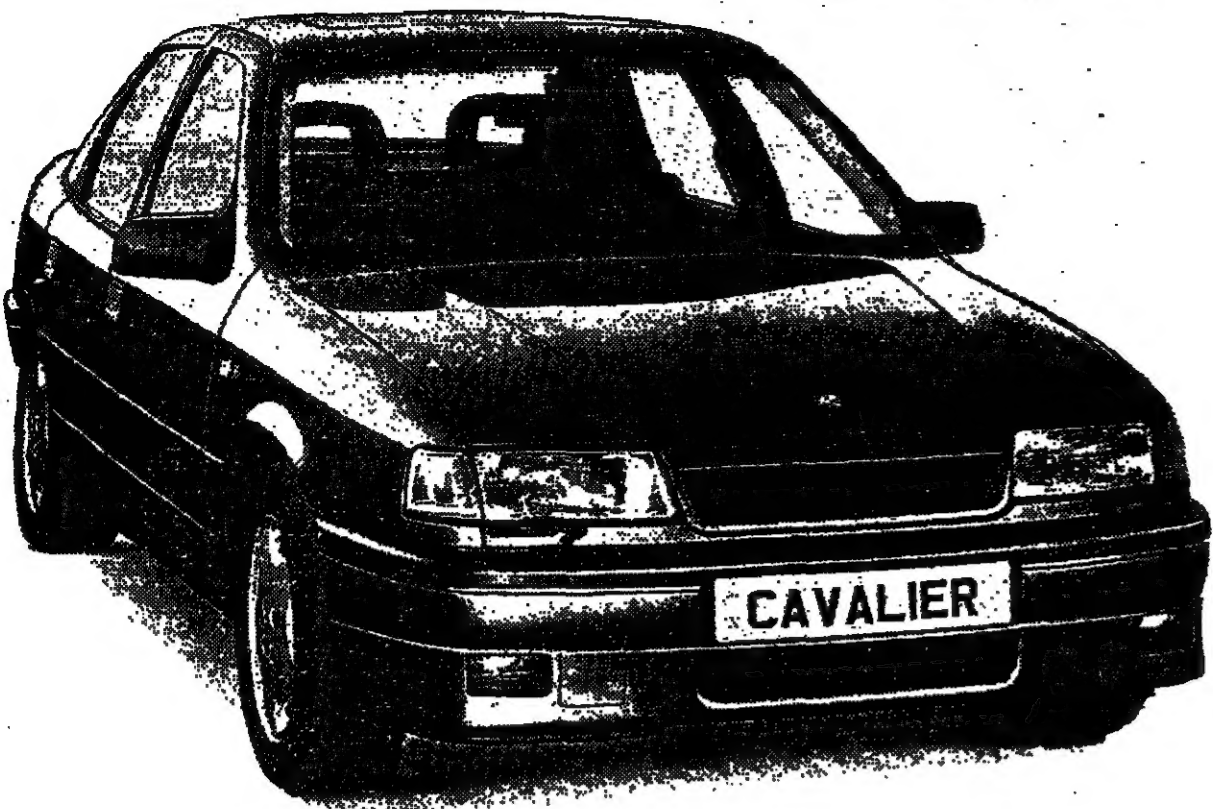
It's your chance to experience the world's most exotic islands, at a remarkably down to earth price.

**Garuda Indonesia**  
Proud to welcome you aboard.

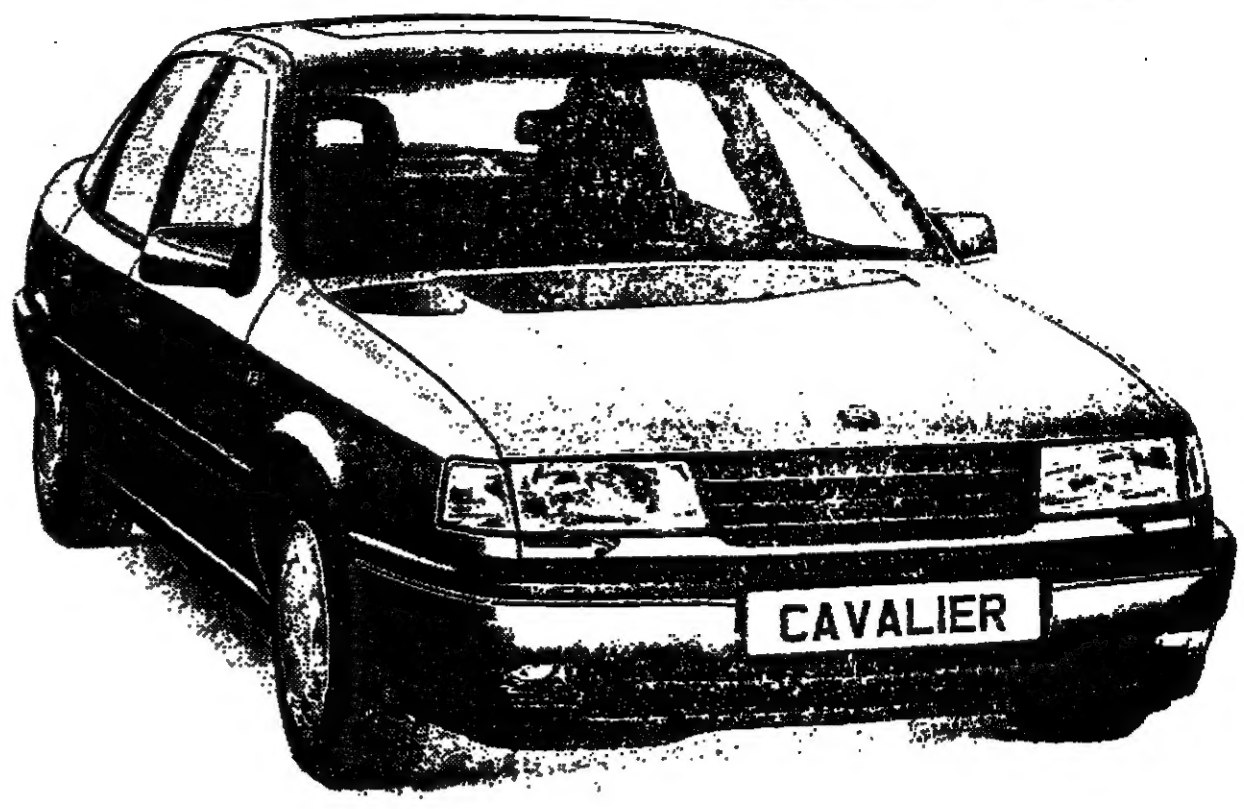
A member of the Garuda Indonesia Group.



# THE GSi.



# THE SRi.



# THE GL.



# THE LD.



# THE CD.



# THE HP.

CAVALIER 1.6 L 5dr.			
Typical Example	4.9% Finance 9.7% APR	8.0% Finance 15.6% APR	8.9% Finance 17.0% APR
Repayment Period	24 months	36 months	48 months
On the road price*	£11,500	£11,500	£11,500
Minimum deposit	50%	30%	20%
	£5,750	£3,450	£2,300
Interest charges	£573.44†	£1,941.72†	£3,285.20†
Monthly repayments	£263.06††	£277.27††	£259.90††
Total credit price	£12,073.44	£13,441.72	£14,785.20

Not to mention the L, the 4x4 and even the one with no letters after its name, the Cavalier itself. For the first time, Low Cost Finance is available across the entire Cavalier range. You know the letters, your local Vauxhall dealer knows the numbers.

**VAUXHALL** Once driven, forever smitten.

THERE ARE 35 DIFFERENT MODELS IN THE CAVALIER RANGE, WITH PRICES FROM £9750 TO £13550. PRICES ARE CORRECT AT TIME OF GOING TO PRESS. \*FIGURES IN FINANCE BOXES INCLUDE ESTIMATED COST OF DELIVERY, NUMBER PLATES, SIX MONTHS ROAD FUND LICENCE AND VET. †INCLUDING £30 OPTION TO PURCHASE FEE PAYABLE WITH FIRST INSTALLMENT. ††PLUS £30 OPTION TO PURCHASE FEE PAYABLE WITH FIRST INSTALLMENT. WRITTEN QUOTATIONS ARE AVAILABLE FROM VAUXHALL FINANCE, WESLEY HOUSE, 19 CHAPEL STREET, LUTON LU1 2SE, WHO PROVIDE THE CREDIT DETAILS. A GUARANTOR MAY BE REQUIRED. LOW RATE FINANCE OFFERS ARE AVAILABLE ON ALL CAVALIERS (EXCLUDING DEALERSHIP DEMONSTRATORS). COURTESY AND RENTED CARS REGISTERED BETWEEN FEBRUARY 1ST AND MARCH 31ST 1991 AND ARE AVAILABLE TO PRIVATE CUSTOMERS AND OPERATORS OF UP TO 99 VEHICLES. ALL NEW CHALLENGERS COME WITH ONE YEAR'S FREE MEMBERSHIP OF VAUXHALL ASSISTANCE, OUR UNIQUE ROADSIDE RECOVERY AND ACCIDENT MANAGEMENT SERVICE. CAVALIER IS COVERED BY VAUXHALL PRICE PROTECTION, WHICH GUARANTEES THAT THE PRICE YOU'RE QUOTED IS THE PRICE YOU PAY, PROVIDED YOU AGREE TO TAKE DELIVERY WITHIN THREE MONTHS OF THE DATE OF YOUR ORDER, OR AS SOON AS A CAR BECOMES AVAILABLE. FOR MORE INFORMATION, AND THE ADDRESS OF YOUR LOCAL DEALER, RING 0800 444 200.



KUWAIT

# War leaves Palestinians split on Arafat leadership

FROM JAMIE DETTNER IN KUWAIT CITY

YASSIR Arafat, the leader of the Palestine Liberation Organisation, is still the man most Jordanian Palestinians want to see at the negotiating table. But Palestinians in Kuwait would not give the same reply.

In the Palestinian districts here, there is little good said about the man who, for two decades, has been seen in the Middle East as the legitimate heir to Ahmed Ben Bella and Gamal Abdel Nasser in the Arab nationalist tradition.

"Arafat no longer represents us," is a remark much heard in Palestinian homes in Kuwait City. "He is not the legitimate leader of the Palestinian people," said a group of working-class Palestinians in the district of Hawali. "We suffer now because of him. Arafat must go."

Mr Arafat's decision to support President Saddam Hussein may be the most fateful he has taken in a chequered career spanning more than 30 years. Since he founded the Fatah movement in 1959, he has fallen from grace many times on the international stage and in the eyes of his people. In the early

days of the PLO, in the mid-1960s, George Habash came close to preventing him from consolidating his leadership.

In 1982, after the expulsion of Palestinians from Beirut, Mr Arafat was challenged from within Fatah and by Syrian-backed radicals. But he has always managed to bounce back.

The animosity now felt for him among what is probably a majority of Palestinians in Kuwait and other Gulf states, suggests that the road ahead



Arafat fateful decision to back Saddam Hussein

for him will be tough. Kuwait is home to the second largest and probably wealthiest Palestinian community in the Middle East. Voluntary contributions to the PLO have been high in the past. The current disapproval of Mr Arafat in Kuwait must place his survival in doubt.

Every time Palestinians are seized by Kuwaiti and Saudi soldiers, tortured and beaten, every time they are abused and spat at on the streets of the city, it is Mr Arafat whom they blame. "He has led us to disaster," said a working-class mother, aged 50, who like most Palestinians in Kuwait wished to remain anonymous.

"I hate Arafat. Everything was fine between Palestinians and Kuwaitis until Arafat." A group of more than 20 Palestinian men in Hawali yesterday made their feelings clear. They said: "Many are against Arafat, and were from the moment he supported Saddam Hussein. Yes, there were Palestinians who helped Iraqis, but most did not. The very bad people after the invasion were Iraqi Palestinians — they were worse than

the Iraqis. We are suffering because of our leader, he took the wrong direction."

As ever with the Palestinians, nothing is clear-cut. Many admit to having had contradictory feelings during the war. As one man said: "Some people were happy because Iraq fought foreigners in Saudi and bombed Israel. But they were not happy about Iraq coming into Kuwait."

Palestinians are hesitant about estimating how many helped the Iraqis. There was widespread collaboration and there were Palestinians in the resistance.

Even those who did help Iraq express disillusionment with Mr Arafat and the PLO, which has kept its head down in Kuwait since the seizing of hundreds of Palestinians. Kuwaiti and Gulf Palestinians harbour a deep cynicism about all Palestinian leaders. Who would they want to replace Mr Arafat? They can think of no one. Occasionally, Faisal Hussein, a leading PLO figure on the West Bank, is mentioned. The lack of an alternative leader may prove to be Mr Arafat's salvation.



Shades of suffering: a Kuwaiti mother holding her 11-month daughter, Amal Khamsah, as she waits for a doctor to attend to the little girl, who is suffering from chronic diarrhoea caused by the heavy smog from burning oil wells

ISRAEL

## General urges land deal

LIEUTENANT-General Dan Shomron, Israel's outgoing chief of staff who was responsible for dealing with the Palestinian uprising, has suggested that the best way to

calm the occupied territories is a settlement swapping land for peace (A Correspondent writes from Jerusalem). His

views, made to Israeli military reporters and splashed in newspapers yesterday, are at odds with those of the right-wing government of Yitzhak Shamir, who opposes ceding any territory.

But his comments highlight the growing debate over how to deal with the problem of the Palestinians in the occupied West Bank and Gaza Strip. Recent polls have shown the nation almost evenly divided on whether to give up land for peace. It also reflects the ironic situation that many of the army's top officers are more dovish than the civilian government they serve.

General Shomron cautioned that the uprising would not be put down by force alone. "The uprising cannot be quelled, just as the entire Middle East conflict hasn't been. On the question of land for peace, in wartime, this has importance... A political settlement is worth much more than territory."

General Shomron, aged 54, is close to the Labour party which favours a land for peace settlement with the Palestinians. His four-year term as chief of staff ends on April 1, when he will be replaced by Lieutenant-General Elad Barak, his deputy.

The general's remarks drew immediate criticism from hardliners in the government. Goula Cohen, the deputy science minister and a member of the right-wing Tehiya party, called for the defence minister to reprimand General Shomron. She accused him of using his military office "to advance the position of the left in Israel."

Ariel Sharon, the housing minister, accused the general of "donning the underwear of politicians before taking off his stripes".

Shomron: a settlement is worth more than territory

## Napalm victims flee Iraq

Geneva — Some 30,000 Iraqis have fled into Iran in the past few weeks escaping fighting between government troops and rebels in the south, a senior United Nations official said yesterday.

Some of an estimated 7,000 recent arrivals at a camp in Khormashahr, in Iran's Khuzestan province, had apparently suffered napalm burns, Hiroshi Nakajima, director-general of the World Health Organisation said after a five-day tour of Iranian camps. The evacuees were mostly women, children and elderly people. (Reuters)

## Base attacked

Sidon — Israeli planes hit a tunnel used by Palestinian guerrillas in south Lebanon, wounding 14 people including six guerrillas and five children aged between five and 14, witnesses said. Two rockets hit waste ground over the tunnel, which linked a guerrilla base to a Palestinian refugee camp, they said. The interior of the underground escape route was exposed by the blasts. (Reuters)

## Aid convoy

Amman — The International Committee of the Red Cross yesterday sent a 25-lorry convoy of food, water and medicine to Iraq. The shipment included 19 tonnes of plastic bags to be filled with purified water from Red Cross water treatment plants already sent to Baghdad for hospitals and civilians. (Reuters)

## Smoke dangers

Kuwait — Thick, black clouds hanging over Kuwait from hundreds of oil wells set on fire by the fleeing Iraqi army, are causing heart and lung disease and poisoning food and water. "It's like chain-smoking cigarettes all day long," said Dr Khalid al-Cahawi of Mubarak al-Kabeer hospital. (Reuters)

## Going home

Dhahran — About 70,000 American soldiers have left the Gulf since the war ended but a total of about 468,000 remain. Lieutenant-Colonel Virginia Friboya, of US Central Command in Riyadh, said. (Reuters)

BRITISH TROOPS

## Shake-up worries oldest regiment

FROM MICHAEL EVANS IN KUWAIT

AS BRITISH soldiers wait with increasing impatience to go home, their happiness is tinged with concern at the thought of seeing their regiments being disbanded or merged under the Government's "options for change" defence review.

Although the decision is unlikely to be announced for at least six months, some here view the threat of regimental extinction with more foreboding than they felt about the Iraqis. Lieutenant Colonel Iain Johnston, commander of the Royal Scots, part of the 4th Armoured Brigade, discussed the future of his regiment as we sat outside his tent in the Kuwaiti desert. Around him, his men were packing to move to another location.

He said: "If you list all the criteria that would involve a regimental disbanding, we don't meet any of them. We are the oldest regiment in the British army, if not the world. We received our royal charter 358 years ago. The Honourable Artillery Company is older but they are not regulars. We wanted to fight in the war in

order to fight for the survival of our regiment. It would be criminal for us to go. We should be the most famous of all regiments, and, being here during the war, I would have thought we would escape (being disbanded)."

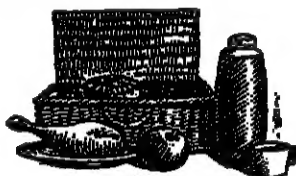
Colonel Johnston said some of his men had begun to pity the Iraqis after seeing enemy soldiers with "horrible wounds". "I felt proud that they were compassionate, but it was my job to see they did not get too compassionate," he said. "Feeling sorry can be dangerous when you are fighting. Once the war is over, you can feel as sorry as you like. But there is no point in being half-beaten on their destruction and then feeling sorry for them half way through."

There were some comic moments, too. The colonel said they had captured an Iraqi brigadier paymaster who "had a briefcase full of money" and tried to bribe one of the soldiers who captured him. He obviously thought he was going to be killed and was surprised and relieved that he was well looked after.



1930

First airline to provide stewardess service.



1936

First airline to establish own flight kitchens.



1956

First airline to install automatic baggage conveyor system.



1967

First airline to fly a billion passenger miles in a single month.



1983

First airline to fly over 100,000 passengers in a day.



1985

First airline to fly to all 50 U.S. States.



1990

First choice airline across the Pacific Ocean.

# Not bad for a new airline.

As you can see, at United we've had some pretty impressive firsts in our time.

Some of our more recent achievements are even more impressive, though.

We're spending 22 billion dollars on new planes, to make us like no other airline in the world.

And in the last five years, we've become the biggest carrier across the United States and the Pacific.

So next time you fly out of Heathrow to the States, you can fly a new airline. Us.

As the rest of the world knows, when you fly United, you fly the friendly skies.

**UNITED**  
FLY THE FRIENDLY SKIES

NON-STOP FROM HEATHROW TO NEW YORK, NEWARK, SEATTLE, LOS ANGELES, WASHINGTON, SAN FRANCISCO.

السعودية العربية



## Mandela trial judge agrees to hear new evidence

FROM GAVIN BELL IN JOHANNESBURG

THE prosecution of Winnie Mandela on kidnapping and assault charges widened yesterday when a supreme court judge agreed to hear evidence implicating her in violent crimes other than those for which she is on trial.

Mr Justice M. S. Stegmann ruled the force of "similar fact evidence" of previous kidnappings and assaults outweighed the prejudicial effects such testimony could have on Mrs Mandela's defence. However, he made it clear his ruling was provisional, and the new evidence would not necessarily be considered in his final judgment.

Jan Swaneepoel, the prosecutor, had applied to produce

witnesses whom he said would prove Mrs Mandela's participation in two incidents in September and November 1988, in which three people were abducted and taken to her Soweto home where they were assaulted. One of them, a 21-year-old man, was never seen again, he said.

Mrs Mandela, wife of Nelson Mandela, deputy president of the African National Congress, and three others are accused of kidnapping and seriously assaulting three men and Stompie Seipei, aged 14, in December, 1988. Jerry Richardson, the leader of her bodyguard, was sentenced to death last year for the youth's murder.

Mr Justice Stegmann ordered the state to provide Mrs Mandela's lawyers with details of the alleged earlier offences, and the identities of the complainants. Mr Swaneepoel agreed, but said he would apply for the new evidence to be held in camera to protect the witnesses. Earlier, he told the court their identities were being withheld because of fears for their safety. He cited the disappearance last month of Gabriel Mekgwe, aged 22, one of the plaintiffs in the case, shortly before he was due to testify against Mrs Mandela.

The other state witnesses, Kenneth Kgase, aged 31, and Barend Mono, aged 21, have testified that Mrs Mandela hummed a tune and danced to the rhythm as she beat them with a whip, after declaring they were not fit to be alive.

Also in the dock are John Morgan, aged 61, who drove Mrs Mandela's minibus, and Kholiswa Falati, aged 36, and her daughter Nompumelelo, aged 18, who worked in a church mission in Soweto where the abductions allegedly took place. Four other accused, all members of Mrs Mandela's so-called football club, jumped bail last January and disappeared. If they are found, they will be tried separately.

A senior barrister said the application of "similar fact evidence" was exceptional, but the principle was well-established and derived from English law, in particular a decision by the House of Lords in 1975 in the case *DPP v. Boardman*. "One may infer from this that Mr Justice Stegmann is sufficiently convinced that these other incidents are compelling and relevant to Mrs Mandela's alleged conduct, notwithstanding the prejudice it might do to her," he said.

**CAPE TOWN:** Bob Hawke, the Australian prime minister, would be welcome to visit should he wish to do so, Pik Botha, the foreign minister, said here yesterday. Mr Hawke and President de Klerk of South Africa had been corresponding for several months, he said, and relations between the countries had improved. (AFP)

**ERSHAD IN THE DOCK ON WEAPONS CHARGE**

HUSSAIN Mohammad Ershad, the deposed Bangladeshi president, pleaded not guilty before a special tribunal yesterday to a charge of the illegal possession of weapons.

"I am completely innocent... I seek a fair trial," a grim-faced Mr Ershad told the tribunal judge, Muhammad Habibullah, after rising from his chair in the dock. His

lawyer, Kazi Shahadat Hossain, argued that the case against his client could not be supported in law and should not be brought before the tribunal. The court overruled Mr Hossain and went ahead with the formal charges against the former president who, if found guilty, could be sentenced to between seven

years and life imprisonment. The hearing was adjourned to March 27 to allow a new lawyer, Ali Azhar, to return from London to plead the case.

The tribunal ordered Mr Ershad, who stepped down in December after nine years in power, to appear before it today for the second charge against him. Mr Ershad is charged with corruption, involving about 19 million taka (\$2.9 million) in cash, allegedly found at his official residence. He may also face charges of abuse of power.

Mr Ershad was driven from a villa where he is under house arrest under tight security to attend the tribunal. The former general, Bangladesh's longest serving head of state, who came to power in a bloodless coup in 1982, tried to smile at security men and reporters as he entered the court wearing a cream safari suit. As he sat in the small dock, he looked fit and smiled at the crowded court.

During the hearing, supporters of Mr Ershad's Jatiya party staged a small demonstration in the capital's business district demanding his release, witnesses said.

Begum, Khadija Zia was appointed prime minister yesterday by the acting president, Shahabuddin Ahmed, official sources said.

Ershad: deposed leader demands "a fair trial"

lawyer, Kazi Shahadat Hossain, argued that the case against his client could not be supported in law and should not be brought before the tribunal. The court overruled Mr Hossain and went ahead with the formal charges against the former president who, if found guilty, could be sentenced to between seven



Homecoming: Phumla Williams, right, embracing her sister outside their Soweto home after being released from Pretoria jail yesterday where she was serving a seven-year sentence for terrorism. She was one of 40 political prisoners, most of them

African National Congress supporters, released by the South African government in the first amnesty for crimes of political violence (Gavin Bell writes from Johannesburg). Those freed include four men and two women who have been on trial for

more than two years on charges of detonating bombs in Cape Town and at the city's airport. Carl Niehaus, a former theology student serving a 15-year sentence for treason, was among 31 prisoners granted remissions of up to seven years.

## Chinese jail term silences Hong Kong

FROM CATHERINE SAMPSON IN PEKING

A HONG Kong man jailed by a mainland Chinese court for five years for shielding dissidents has written a letter from prison protesting at the length of his sentence, and saying he believes he did nothing wrong.

In Hong Kong, Luo Haixing's trial and imprisonment for a political crime is seen by many as a taste of things to come in the colony after 1997, when it is handed back to China. The Hong Kong government has not protested about the case.

Luo wrote to his wife just after he was sentenced, saying: "The authorities say my sentence is lenient, I don't know what they would consider a severe sentence... How can it be that I was sentenced to a year more in prison than Wang Dan?"

The student leader Wang Dan, who led thousands of young people on demonstrations through the streets of the capital in 1989, was sentenced last November to four years in prison for spreading counter-revolutionary propaganda. Diplomats believe the Canton

court was under orders to impose a sentence which would scare off Hong Kong democracy sympathisers and warn them to stay well out of the mainland's affairs. It is a policy which seems to be working: few people in Hong Kong have taken up Mr Luo's cause, apparently nervous about mainland reaction.

Mr Luo, aged 42, was the representative of the Hong Kong Trade Development Council in Peking. He was sentenced with two other Hong Kong residents at the beginning of March, for trying to help two dissidents escape. His letter, published in a Hong Kong newspaper, asked his wife to tell their children that he had done nothing wrong, and felt no shame.

British officials say there is little they can do to help. China requires that most Hong Kong residents travel to China on a mainland-issued travel document, the "return home permit". Any Hong Kong person travelling on the "return home permit" has in effect surrendered the right to British consular protection.

# TO CUT COSTS TAKE A Q FROM US.

When it comes to cutting costs, you can be confident with Britain's best-selling 7.5 tonne truck—the 1991 Cargo-Q.

### CUTS FUEL COSTS BY UP TO 18%.

According to the latest Motor Transport<sup>+</sup> cost tables, an operator should expect fuel consumption figures of around 15 mpg from a 7.5 tonner.

In independent fuel trials conducted in 1990 by BTAC<sup>+</sup> in conjunction with the Institute of Road Transport Engineers, Cargo 0813 achieved an impressive 18.4 mpg.

Cargo-Q could cut your fuel costs by up to 18%.

As well as cutting fuel costs, a wide choice of engines and Rockwell rear axles let you specify

20% less carbon monoxide, 30% less hydrocarbons and 20% less nitrous oxide<sup>†</sup>.

### CUTS THE COST OF OWNERSHIP.

Outstanding economy, low parts prices, total servicing costs reduced by 24%<sup>†</sup> and high resale values confirm that Cargo-Q has been engineered to give low lifetime costs.

### FREE TACH:TRAK. Test drive Cargo-Q and you will receive a free Tach:Trak worth £55.00<sup>‡</sup>.

It records your driving hours and rest periods, enabling you to keep your truck productive for every minute of the legal working day.

For a brochure and details of your nearest Iveco Ford Truck Specialist dealer, ring 0268 540447.

Or clip the coupon.

<sup>†</sup>Motor Transport 24th January 1991.  
<sup>‡</sup>Brewery Transport Advisory Committee, September 1990.  
<sup>††</sup>European Community Directive 88/77/EEC.  
<sup>‡‡</sup>Manufacturer's figures over 120,000 kms.  
<sup>‡‡‡</sup>For demonstrations carried out before 30th June 1991.

CUTS FUEL COSTS BY UP TO 18%

HIGH RESALE VALUES

FREE TACH:TRAK WORTH £55.00

IVECO Ford TRUCK

'fast ratios' to enhance over-the-road speeds and help cut down journey times.

**CUTS NOISE.** With more sound insulation, Cargo-Q more than matches stringent new noise legislation effective from April 1st 1991.

Outside, Cargo-Q is almost twice as quiet. Inside, it's the quietest Cargo ever, with new trim to enhance your driving comfort.

**CUTS EMISSIONS.** Cargo-Q is also more ecological. It comfortably matches this year's new emission legislation which requires

To: Iveco Ford Truck Ltd, FREEPOST, 12 Fenton Way, Basildon, Essex SS15 5BR.

Yes, I'd like to test drive a Cargo-Q and receive a free Tach:Trak worth £55.00

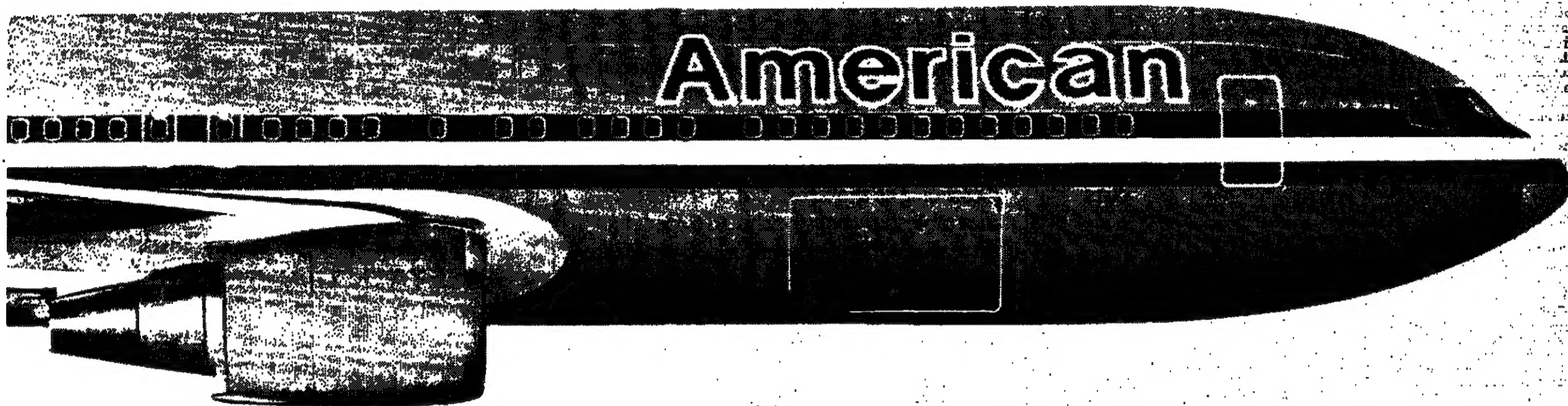
NAME \_\_\_\_\_ POSITION \_\_\_\_\_  
COMPANY \_\_\_\_\_  
COMPANY ADDRESS \_\_\_\_\_  
POSTCODE \_\_\_\_\_ OFFICE TEL NO. \_\_\_\_\_

**Cargo-Q**  
QUIET QUALITY AT 7.5 TONNES



# American Airlines non-stop to Chicago.

Starting June 2 with daily departures  
from London Gatwick.



Now you can take American Airlines, America's largest airline, non-stop from Gatwick to Chicago every day of the week.

## Superb Service

From the moment your journey begins, you can sample the benefits of flying American. Bring your baggage to our Victoria check-in facility and you'll receive your boarding pass so when you reach Gatwick you can transit quickly through boarding formalities

and onto the plane.

Once onboard, you'll enjoy superb service, cuisine rated "best in the air" and wines from the world's premier vineyards.

In our First and Business Class you can relax in luxurious leather and sheepskin seats.

And enjoy your own personal video\* in First Class, with your choice of films.

## Convenient Connections

In addition to the new Chicago service, American has daily non-

stop flights from Gatwick to Miami and Dallas/Fort Worth. From each, we can offer you convenient connections to over 270\*\* cities in the U.S., Canada, Latin America, the Caribbean, Asia and the Pacific.

Take America's largest airline to America and you'll soon see why over 80,000,000 passengers flew with us last year.

For reservations, call your travel agent or American Airlines on 0800 010 151.

**American Airlines**  
*Something special in the air.\**

\*Available on all aircraft, Summer 1991. \*\*Some cities served by American Eagle®, American Airlines' Regional Airline Associate.

ANA  
AND RI

H

CRISIS: What is an echo of the Norman Lamont yesterday. The C realised that the economic trouble, which he perceived as a crisis, was not an interest rate, but an employment issue. Mr Lamont has "political courage" that distinguishes him from the risks which he has taken to solve a little local difficulty. In continuing to shift in tax revenue to VAT and other taxes, in the context of a "balanced" budget, has taken the one step likely to lead the economy down a more stable path. The increase in interest rates will lead to disco-

£11  
all  
cas

By Graham SEAR  
FINANCIAL EDITOR

THE Chancellor's "R" business plan has an increasingly plain impact on the economy. The impact of recent company failures will be a billion package.

The package is tailored to have the quick effect on cashflow and cash knock-on effect of a failure. The package designed to help small businesses from the smallest.

The rate of coupon has been cut for the first time since 1980 to make it the lowest in the E.C. Community. The 2 p from 35 to 33 per cent represents a package of relief for businesses during the recession. The burden of bad debt. Unusually, the Ch has cut the rate of company tax on profits made in 1990-1 financial year from 35 to 33.

Mid  
ben

"ABID for the centre" is how one Treasury describes the distal effects of Norman Lamont's budget. Tax experts are down with computers last night, aye the gamblers are from the Chancellor's age, but as a summary of the budget, this Treasury seems as close to the mark as any. The most significant change is the across-the-board reduction in VAT from 20 to 15 per cent. The VAT reduction is a boon for the vast majority of the population, so that the most noticeable difference will be the most noticeable. Those in the middle will benefit most from the reduction. Those whose incomes are above the level that they can claim rebates.

The VAT increase to 15 per cent is more favourable to the poor. They are relatively high proportion of their income on such VAT is not payable. The income distribution is steadily over the 10 per cent of the income. The proportion of the income is roughly proportional to income. Rich people with more income will lose as a result of the higher rate. The also tend to suffer from the increase in charges for company cars for the Chancellor's imp-



ANALYSIS  
AND REACTION

## THE BUDGET

WEDNESDAY MARCH 20 1991

## Has high-risk Lamont struck the right target?

**CRISIS?** What crisis? There was an echo of Jim Callaghan in Norman Lamont's Budget speech yesterday. The Chancellor clearly realised that Britain was in economic trouble. But the thrust which he perceived to the British economy was not recession, high interest rates, inflation or unemployment. It was the poll tax.

Mr Lamont has been called a "political Chancellor", but even that description fails to do justice to the risks which Mr Lamont has taken to solve the government's little local difficulty at Westminster.

In ordering a £425 billion shift in tax revenues from poll tax to VAT and other expenditure taxes, in the context of a broadly "balanced" budget, Mr Lamont has taken the one measure which is least likely to stimulate demand in the economy or accelerate the downward trend in interest rates. The increase in expenditure taxes will tend to discourage consump-

**Norman Lamont's first Budget held several surprises. Anatole Kaletsky, Economics Editor, gives his view of the performance and suggests that he may have adopted a high-risk strategy**

tion, while a significant part of the reduction in poll tax is likely to be saved. To make matters worse, the transfer in taxes is likely to jeopardise the government's "central aim" of bringing down inflation, since higher VAT and duties will immediately boost the underlying rate of retail price increases. The cut in poll tax, by contrast, will affect only the headline inflation rate, which had, until yesterday, been considered both in the Treasury and the financial markets as a less reliable indicator of true impact of price increases on wage demands and consumer spending.

In a small way, yesterday's

decision was reminiscent of the Thatcher government's first budget, when Sir Geoffrey Howe raised VAT from 8 per cent to 15 per cent and "compensated" for this with big cuts in income tax. To judge by the disastrous inflationary spiral that followed, the government may have contrived another "own goal" on inflation.

In a sense all this is irrelevant to the central economic issue which this Budget should have addressed. What, if anything, needs to be done to pull the economy out of what the Treasury now officially predicts will be the second deepest recession since World War Two? Mr Lamont's

reply has been a resounding silence. There were at least three types of measures he could have taken to try to encourage a rebound.

The first, a direct stimulus through the tax system, would have fallen foul of the ideological aversion to fiscal fine tuning which has been a consistent theme of the 12 Conservative Budgets since 1979. As a result expectations of tax cuts in the Budget were very muted — and given the large swing from a £1 billion surplus to an £8 billion deficit which has been guaranteed by the automatic operation of the tax and spending system, the Chancellor could not be blamed for caution on this score.

However, the Chancellor could have acted on monetary policy. Financial markets had been discounting a cut of a full percentage point in interest rates this week, but there was nothing in the budget speech to suggest an

imminent cut. Of course, this did not exclude the possibility that interest rates would be cut later this week. Indeed, a cut is still confidently expected in the City, perhaps as early as today.

As yet, however, the Chancellor has done nothing for the hard-pressed industrialists and home-owners. They require not just a one-off cut in interest rates, but a reliable commitment that rates will continue to come down.

This leads to the third, and most surprising, omission in the Chancellor's approach to the economy. He has done nothing to stimulate confidence. Recession is the result of a revival of confidence. But after spending six months trying to convince foreign exchange traders of his commitment to defend sterling in the ERM, the Chancellor appears to have deliberately passed up the opportunity to address himself to businessmen and consumers. He forecast 2 per cent growth between

1991 and 1992, but that would leave the economy no larger than it was in 1990. He did little yesterday to make even this feeble recovery more probable.

This may have been a political, as well as economic, mistake. If confidence in an imminent recovery had been implanted yesterday, there would have been no difficulty in persuading the electorate that the sufferings of the recession had been inevitable, if not worthwhile.

The Government should have noted six months ago that the time for zealotry against inflation and for fanatical observance of monetary and exchange rate targets is in a boom, not in a slump. But this is no longer an issue. Inflation is falling irresistibly, in spite of the higher indirect taxes. The commitment to ERM is no longer being questioned in the markets. This should have been Budget for Recovery, not a Budget for the Relief of Poll Tax.



## Hope for the odd man out

Great things are still expected of Hugh Dykes, the Conservative MP for Harrow East, who is known in political circles as a bit of a rebel. Dykes, aged 51, was one of four leading lights at Cambridge university in the early Sixties who ran the Conservative association there. The four, who were constantly jockeying for position, were observed with amusement by other undergraduates, who were far more interested in parties with a small "p".

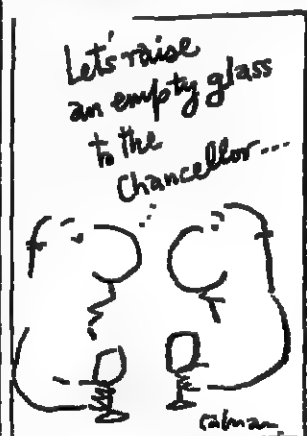
Dykes went on to become a stockbroker and a partner with Simon & Coates but has yet to make it into the cabinet. In that he is the odd one out. For his university contemporaries were Kenneth Clarke, John Gummer and Norman Lamont.

Peter Clarke, director of fixed interest gills at Kleinwort Benson, was also a Cambridge contemporary. "It was as if they were already practising for later life," he says, adding that his only recollection of Lamont is that he had a penchant for velvet jackets. "It was a bit avant-garde at the time."

## Triumph over sauce sachets

John Major is, it seems, not alone among Westminster men when it comes to having a penchant for meals at Happy Easter roadside cafes. A regular at its sister chain, Little Chef — also owned by THF — is Timothy Kirkhope, Conservative MP for Leeds North East, who often pops in for a bite to eat on his way to London.

Kirkhope, aged 46, had, however, become incensed by the cafe's tomato sauce sachets, which he found impossible to open without the contents spilling all over his hands. Now, after a concerted campaign, Little Chef has agreed to change its way; its sachets will henceforth have perforated strips to allow them to be opened more easily — a triumph for Kirkhope, and a development that may well endear him to No 10.



## Cover blown

While Norman Lamont was able to write yesterday's speech in his Downing Street residence, he could rehearse it only in his Commons office. The rear windows of the house were blown out in the IRA mortar bomb blast last month, 24 hours after he moved in. Many have not yet been replaced. A Treasury source says: "The Chancellor did not dare rehearse the speech aloud in Downing Street, because of the windows. Someone working in the garden below might have heard him."

## A step ahead

Paterson Zochonis, the Cussons soap group, has done it again. It notched up its sixth hit out of seven yesterday for publishing interim results on budget day. Alan Whittaker, the group's finance director, who was responsible for setting the date about six months ago, said: "At least I got it first."

## Line is drawn

Norman Lamont is clearly canny with his cash. So tickled was he by a *Times* City Diary cartoon of him waving a white flag after the half-point cut in base rates two weeks ago that Adam Linford, of the Treasury press office, was instructed to seek the original. Our cartoonist, Keith Waite, asked £65. This was relayed, but Linford has yet to receive a reply. Waite now says he would be happy to send the Chancellor a copy free — and even refund the telephone call.

Carol Leonard

## £1bn aid package aims to improve cashflow quickly

By GRAHAM SEARJEANT  
FINANCIAL EDITOR

THE Chancellor's "Budget for business" has answered increasingly plaintive calls from industry for relief from the impact of recession and company failures with a £1.1 billion package.

The relief is carefully tailored to have the maximum quick effect on business cashflow and cushion the knock-on effect of company failures. The package has been designed to help virtually all businesses from the largest to the smallest.

The rate of corporation tax has been cut for the first time since 1986 to make it the lowest in the European Community. The 2 point cut from 35 to 33 per cent is the centrepiece of a package of relief carefully designed to help business conserve cash during the recession and ease the burden of bad debts.

Unusually, the Chancellor has cut the rate of corporation tax on profits made in the 1990-1 financial year retrospectively from 35 to 34 per

cent, since any reduction in this year's rate would make no difference for over a year.

The two cuts together are expected to benefit companies by £380 million this year and £530 million in 1992-3. The impact will be even greater when profits recover.

To help companies who are making losses, the Chancellor is also allowing them to claim prior losses against corporation tax for up to three years instead of one year, at an estimated cost to the Exchequer of £250 million in 1992-3. This will only help companies when they return to profit and is not expected to have much impact this year.

Special bad debt relief against VAT payments, on the other hand, will give companies an extra £340 million this year which they would otherwise have had to pay in tax, even though they were not paid for goods supplied.

Smaller companies have been given additional help by raising the profit ceilings for payment of the lower small company rates of corporation tax. The ceiling for the minimum 25 per cent rate has been raised by a quarter to £250,000, building on the sharp increases made in the previous two years.

The ceiling at which companies become liable for the main corporation tax rate has been increased from pre-tax profits of £1 million to £1.25 million. The two are expected to help 30,000 companies. Companies had high hopes of tax concessions this year. They ran a huge financial deficit of £7 billion last year and have seen under pressure from poor trading, high interest rates and the impact of inflation on cash flow.

The CBI and other lobbies asked for a series of reliefs. Though many specific demands have been turned down, the total package is as much as most dared hope for. The Chancellor has chosen to give the main help via a straight cut in the standard rate of corporation tax, which has come down more than a third from 52 per cent since big reform of the tax in 1984.

Despite previous cuts in the rate, the corporation tax burden has risen sharply. The CBI calculated that, after adjusting for inflation, the yield from corporation tax has risen by £14 billion over six years to an estimated £21.6 billion in 1990-91 and doubled as a percentage of national output.

The straight cut in the rate of corporation tax keeps the simplicity of the system introduced in 1984, but is necessarily indiscriminate and costly in terms of government revenue in a year when corporation tax receipts are already expected to fall sharply due to lower profits.

The Treasury estimates that corporation tax receipts will fall by a tenth to £19.5 billion in 1991-92, even before the full impact of the cut in the basic rate of tax is felt.

There were strong demands for the reintroduction of special reliefs against corporation tax abolished in the reform. The Chancellor made it clear, however, that he would not undo the principles of Nigel Lawson's 1984 reform, which aimed at reducing the rate of tax while eliminating many traditional "tax" deductions which distorted behaviour and ate heavily into revenue.



The art of plucking a goose...

## Goodbye to the warbling trill

By ALAN HAMILTON

THE infuriating warbling trill, as though some exotic rainforest bird were trapped under the tablecloth, which comes to mar many a relaxed lunch, may become thankfully rarer as a result of the £200 tax charge on mobile phones.

Keen observers report, however, that the species may already be in decline as a result of an increasingly hostile environment which has decimated the population's symbiotic partner, the yuppie. The tax to be paid on £200 for each phone will help to hasten an end to the nuisance.

Many restaurants already discourage or even ban the use of mobile phones and the premises. A spokesman for the Savoy hotel group said yesterday: "We do not allow the in-kind tax penalty, and yes use of mobile phones in our restaurants at The Savoy, Claridge's, the Berkeley or the Berkeley are always in plenty of public phones. A spokesman for Racial

Telecom, the firm that owns the Vodafone network, expressed a hurt reaction yesterday to the Chancellor's remark that mobile phones were the scourge of modern life.

"That's not very nice coming from the government that set up the network in the first place," he said. Mobile-phone users who have the apparatus supplied by their employer, and who either make no private calls or who pay for the private calls themselves, will escape the tax penalty, as do owners of company cars who pay for their own private motoring.

Racial estimates that the average mobile-phone user will be liable for between £50 and £80 a year in tax. Diners were left wishing last night that, instead of taxing phone users, the Chancellor had introduced a system of punitive on-the-spot fines for any user whose mobile warbled at the table.

## Middle ground benefits most

By DAVID LEPSKY

"A BID for the centre ground" is how one Treasury source describes the distributional effects of Norman Lamont's first budget. Tax experts were sitting down with their computers last night to analyse the winners and losers from the Chancellor's package; but as a summary of who gains and who loses from the budget, this Treasury view seems as close to the mark as any. The most significant budget change is the £140 across-the-board reduction in poll tax, and the 2½ per cent rise in VAT to pay for it. The poll tax reduction unambiguously favours the centre at the expense of the poor and the rich.

Most poor people will gain little from it. They are eligible for poll tax rebates, which meet up to 80 per cent of their poll tax bills, and so may save as little as £28 a year. For the rich, the reduction is a smaller proportion of their income than it is for the rest of the population, so they too will barely notice the difference.

Those in the middle however, will benefit most, with the most impressive proportional gain being enjoyed by those whose incomes are just above the level that allows them to claim rebates.

The VAT increase to pay for the change is more favourable to the poor. They spend a relatively high proportion of their income on such items as food, fuel and fares, on which VAT is not payable. Those in the bottom 10 per cent of the income distribution pay least in VAT. The proportion rises steadily over the bottom 40 per cent of the income distribution; thereafter, VAT payments are roughly proportional to income.

Rich people with mortgages will lose as a result of the ending of higher-rate mortgage interest relief. They will also tend to suffer from the 20 per cent increase in scale charges for company cars, and for the Chancellor's impost on

mobile phones. But the £1,000 increase, on top of inflation, in the threshold before higher-rate income tax bites will cancel these losses for many.

Generally, the budget is good for families with children. The freezing of the married couple's allowance makes the tax regime bite harder there, but families with children will find compensation in higher child benefit. The Chancellor is also making sure that the really poor, who are dependent on state income support, do not lose out. This time, their income support will not be cut when their child benefit rises.

The one really regressive move in the budget is the increase in tobacco duty. The poor spend a higher proportion of their income on cigarettes. The sharp increase in their price, as a result of the increase in tobacco duty and higher VAT, will inevitably hit their pockets hardest, unless they do as the government would like, and quit.

## Praise tempered by nervousness on poll tax review

By RICHARD FORD  
POLITICAL CORRESPONDENT

Hampson: "impact by slaughtering poll tax"

**BACKBENCH** Conservative MPs praised Norman Lamont for a Budget that many believe has allayed the damage caused by the poll tax and improved their chances of winning the next general election.

Although most Conservative MPs were delighted at his move, they are still nervously awaiting the announcement tomorrow of the review of the poll tax. Most accepted that the government had little option other than to find large sums of money to cut poll tax bills and reduce electoral damage. Keith Hampson, Conservative MP for Leeds North West, said:

"he has achieved a dramatic impact in the short term by slaughtering the poll tax."

However, several Labour MPs believe that the government will pay a heavy political price for increased VAT, particularly among the C1 and C2 voters when faced with increased household bills. In his immediate response to the Budget, Neil Kinnock said the chancellor had dodged the issues facing the country. "He gave us a short term budget. He gave us a tinkering budget."

Mr Kinnock accused the government of the "biggest climbdown in modern political history" over its changes to the community charge, saying the govern-

ment was "backing off" its flagship after two years in which the Conservatives had wasted £10 billion on the "misery and injustice and inefficiency of the poll tax."

The Labour leader said the increases in the rate of VAT would hit many families on medium incomes, average incomes and low incomes. He welcomed, however, the limitation of mortgage tax relief and the help given to small businesses.

Minutes after the opposition leader had finished his reply to the budget, Mr

Lamont attended a meeting of the Conservative backbench finance committee. Although he was greeted with the traditional banging of desks, the response was more restrained than usual as MPs remain nervous about the effects of increases in VAT and the review of local government. Sir Rhodes Boyson, Brent North, said: "It was politically very shrewd. The government has climbed out of the treacle of the poll tax, they must not make the mistake of falling into the property tax treacle."

Other Conservative MPs welcomed the improvement in child benefit as a much needed statement of principle on the issue, and the help

given to small industries. John Smith, the shadow chancellor, said the budget was irrelevant to Britain's real economic needs. It did nothing for the unemployed, barely anything for training and failing to tackle the twin problems of falling output and investment in manufacturing industry.

"The rise in VAT represents a humiliating U-turn for a government that is trying to buy its way out of the poll tax, by putting a price increase on almost everything we buy," he added.

Alan Beith, the Liberal Democrat's treasury spokesman, said the Budget was about the Conservatives' immediate political fortunes.



# Firms to pay £1 bn extra in VAT and insurance

By KEVIN EASON, MOTORING CORRESPONDENT

INDUSTRY faces a bill of more than £1 billion over the next year in extra national insurance and VAT payments after the Chancellor's decision to continue the government's purge against company cars.

An anguished motor industry said the Budget measures would cause the sale of tens of thousands of cars to be lost and mean big increases in fleet running costs. Mr Lamont added 20 per cent to the employee "scale charges" that tax Britain's 4.5 million company car drivers on private use. There had been increases totalling 220 per cent since 1987.

Companies were also dismayed that they would have to pay national insurance contributions on company

"There is nothing in this Budget to aid the motor industry. VAT increases, increases in scale charges, the addition of national insurance charges on employers and increases in fuel prices all add to industry's costs and weaken confidence. It will mean fewer cars for sale and an even tougher time for an industry which has been suffering lately."

The SMMT added that there was little encouragement to buyers to switch to new cars using cleaner "green" technology in the wake of a Budget that would increase sticker prices because of the VAT increase. Total taxation on new cars would now be 27.3 per cent of the showroom price.

Jon Walden, managing director of Lex Vehicle Leasing, said: "If this Budget had come in a boom, we could have shrugged it off, but it has come in a recession and the consequences could be very serious."

Industry experts were angry that the Chancellor did little to encourage a move to more economic fuels or engines and nothing to iron out the anomalies in the company car tax system.

SMMT submissions to the Treasury show that drivers covering between 2,500 and 18,000 miles a year using a 1.4-litre to 2.0-litre car were already overtaxed by as much as 38 per cent, even before yesterday's Budget increases.

An unmarried district nurse, earning £10,000 a year and driving a Ford Fiesta 1.4 10,000 miles annually, was £59.80 worse off after the 1990 Budget, according to calculations by Lex. This year she is a further £87.48 worse off.

A married sales representative earning £18,000 a year and driving a Vauxhall Cavalier 1.6 over 20,000 miles annually saved £164 last year, but this year loses £108 in tax charges. However, the £40,000 a year director who drives his Jaguar XJ6 as a perk but covers fewer than the 2,500 miles required by the scale charges was more than £800 worse off last year and will be a further £670 worse off this year.

Meanwhile, Mr Lamont's decision not to increase vehicle excise duty means that the Treasury can collect £2.9 billion from the tax this year without adding to the costs of motorists.



cars and at the added cost of buying fleet vehicles as a result of higher VAT. Lex Vehicle Leasing, one of Britain's biggest leasing and rental companies, said firms might have to find an extra £1.3 billion to pay for the changes.

The Treasury already raises £1.2 billion annually from scale charges on company cars, but Mr Lamont expects to take a further £440 million over the next two years by increasing charges again. The immediate response from the industry was that companies would buy fewer cars, further depressing the market at a time when new car registrations are down by 23 per cent compared with last year.

The Society of Motor Manufacturers and Traders (SMMT) said the increase on scale charges could force a reduction of as much as 4 per cent in sales to company fleets. The Retail Motor Industry Federation, which represents 13,000 garages and car dealers, said the Budget was little short of a disaster for the industry.

Neil Marshall, the federation's chief economist, said:

## VAT cheer for small businesses

By WOLFGANG MÜNCHAU

ABOUT 150,000 small businesses will no longer need to register for value-added tax as a result of a 40 per cent increase in the starting level for VAT registration from £25,400 to £35,000 annual company turnover. The figure is the highest in real terms since VAT's debut in 1973.

Mr Lamont said that "accounting for VAT can be an onerous duty for small traders. When VAT was introduced therefore we exempted firms with the lowest turnovers from registration. But under EC constraints, the threshold could not rise above the level of inflation." Mr

## Unlocking rewards of enterprise

By MARTIN BARROW

PROPOSALS intended to help two groups that have suffered badly from the recession, small businesses and the self-employed, were announced.

The qualifying age for relief on capital gains tax is to be reduced from 60 to 55, while the limit for exemption will rise to 100 per cent of the first £150,000 of capital gains and half of the next £450,000. The measure is expected to encourage the transfer of assets to younger entrepreneurs.

The Chancellor said: "One way we can help businesses and their owners is to improve the relief available to them when they retire and have to realise the asset they have created."

Capital gains exemptions and the inheritance tax threshold will be indexed to inflation, lifting the capital gains annual exempt amount to £5,500 and the inheritance tax threshold to £140,000.

Mr Lamont also proposes to give unincorporated businesses the opportunity to offset trading losses against capital gains. That would assist small businesses that wished to sell assets during a difficult period.

Small employers will be allowed to pay PAYE deductions and National Insurance contributions quarterly, rather than monthly. The change will apply to businesses that pay a total of less than £400 in PAYE and NIC a month.

Mr Lamont plans to increase the turnover limit below which taxpayers may submit a simple three-line statement instead of full accounts on business or rental income.



Ready to react: dealers and economists at Barclays dealing room at Royal Mint Court, London, listening to the Chancellor's speech

## Rich losing overseas haven for their assets

By LINDSAY COOK, MONEY EDITOR

A LOOPHOLE that has allowed the rich to shelter valuable assets from capital gains tax by setting up offshore trusts is to be closed.

Since the 1981 Finance Act, British owners of valuable items have been able to dispose of them through offshore trusts or settlements without paying any capital gains tax.

Hundreds of trusts have been set up in the past few weeks in anticipation of a change in the Budget. A similar rush occurred last year.

Norman Lamont, as financial secretary to the Treasury, instituted a review of the taxation of trusts in 1988. Nothing more was heard until late last year, when newspaper reports said that £1 billion a year was being lost to the Inland Revenue through such trusts. Then the Revenue said that a "further announcement" would be made in due course. In his speech yesterday, Mr Lamont said that the measures he proposes will prevent "a revenue loss of up to £100 million in a full year."

The trusts, set up by high street banks and firms of accountants, allowed wealthy people to hand over their assets to trusts and yet still to be beneficiaries of the trusts. Shares, paintings, properties and other assets could be sold, realising gains but avoiding any liability to British capital gains tax, which is charged at 40 per cent. Only if the proceeds of the sale were brought back into Britain would there be tax to pay.

Mr Lamont said: "I do not think it is right for a relatively small number of wealthy people to shift very large assets into offshore trusts, simply in order to avoid UK tax. Such people have already benefited from the reductions in the higher rate of income tax."

There are, however, some benefits from that in beating inflation, which the Chancellor put as his first priority. By the fourth quarter of this year, the Treasury expects the retail price index to be showing an annual rise of only 4 per cent. In the autumn statement, 5.5 per cent was expected. Mr Lamont also predicted yesterday that inflation would stay below 4 per cent in the first half of 1992, instead of turning up again.

The fall in domestic demand, allied with recent revisions of the invisible trade figures, will make a strong impact on the balance of payments. The deficit for 1991

## Ministers braced for the worst but an economic recovery is in sight

By GRAHAM SEARJEANT, FINANCIAL EDITOR

THE government now expects the recession, which it once saw as a short-term correction, to be as bad as the slump at the start of Mrs Thatcher's battle to change the British economy. Inflation should, however, come down faster as a result, enabling faster cuts in interest rates and a recovery starting in the middle of the year.

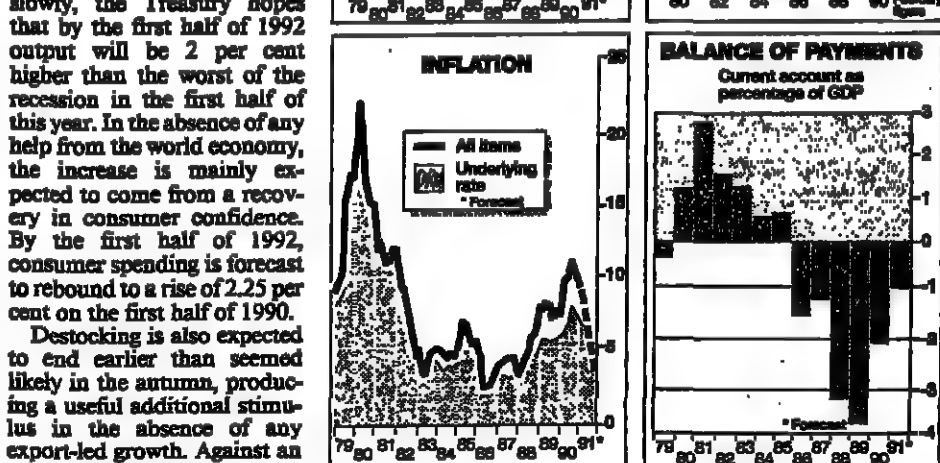
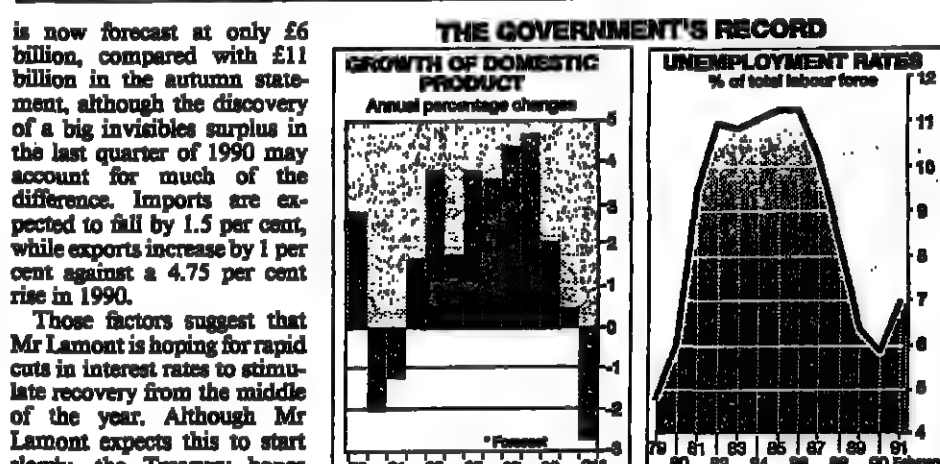
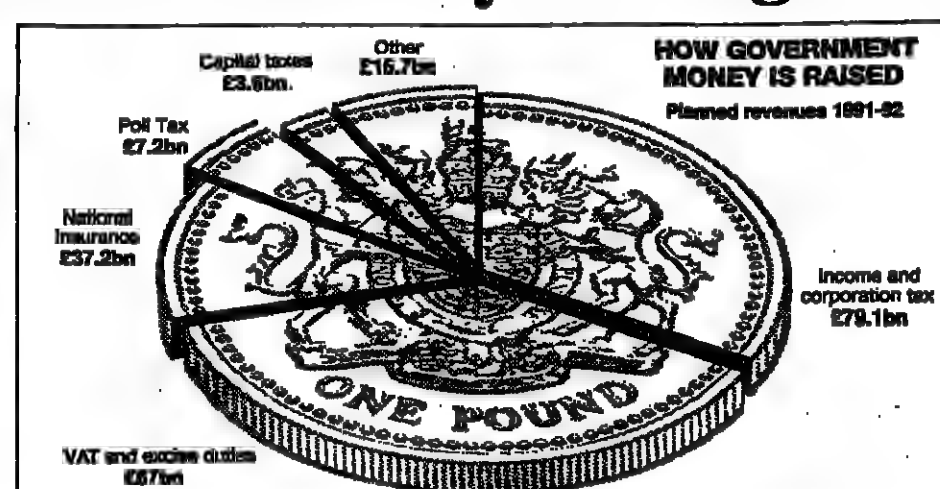
The Treasury forecasts that output will fall by 2 per cent this year, exactly the same as in 1980, the worst year of the previous recession. The Chancellor admitted that he had been caught by surprise by the effect of the slowdown in business and blamed the impact of the Gulf conflict on consumer and business confidence for making things worse.

As recently as November he forecast a rise of 0.5 per cent in gross domestic product in 1991, but capital spending is now expected to collapse by 9.75 per cent against a forecast fall of only 1.5 per cent in the autumn statement.

Consumer demand is also forecast to fall by a relatively sharp 1.75 per cent against the earlier assumption that it would rise by 2.5 per cent. Those forecasts are worse than most pessimistic than most of the predictions of outside forecasters.

There are, however, some benefits from that in beating inflation, which the Chancellor put as his first priority. By the fourth quarter of this year, the Treasury expects the retail price index to be showing an annual rise of only 4 per cent. In the autumn statement, 5.5 per cent was expected. Mr Lamont also predicted yesterday that inflation would stay below 4 per cent in the first half of 1992, instead of turning up again.

The fall in domestic demand, allied with recent revisions of the invisible trade figures, will make a strong impact on the balance of payments. The deficit for 1991



supply have been cut from a 1.5 per cent range to 0.4 per cent. The Chancellor said that he would pay attention to the wider measure of money, M4, and also unexpectedly said that he would treat the price of assets — such as shares and houses — as a significant monetary indicator.

## Spending deficit makes unwelcome return

By ANATOLE KALETSKY, ECONOMICS EDITOR

THERE was a time when the sudden lurch from a £1 billion budget surplus to a public sector borrowing requirement (PSBR) of £3 billion would have provoked calls from the City and the Conservative party for the Chancellor's ritual disembowelling.

The huge deficits of the late 1980s were a badge of national shame for Margaret Thatcher. Indeed, the definition of the PSBR was effectively imposed on the government by the International Monetary Fund, when management of the economy was virtually handed over to the fund by Denis Healey during the run on sterling in 1976. As a result, elimination of government deficits was one of Mrs Thatcher's proudest achievements during the late Eighties.

Her successors may have emphasised that there was nothing wrong with the occasional deficit, provided it was matched by surpluses in other years, but the growing belief in the past few years that there might never be another serious recession fostered the hope that large deficits had been permanently eliminated from public life.

The fundamental cause of this improvement was seen as the good housekeeping of the Thatcher period, and not simply the cyclical strength of the economy, which automatically boosts taxes and reduces public spending on unemployment benefits. In fact, as recently as late January when the severity of the recession was already apparent, the Institute of Fiscal Studies and most City economists were still forecasting a PSBR of only £4 billion in 1991-2.

estimates of the impact of growth and inflation on taxes and government spending, the severity of the recession accounts for the whole of the swing from surplus to deficit this year.

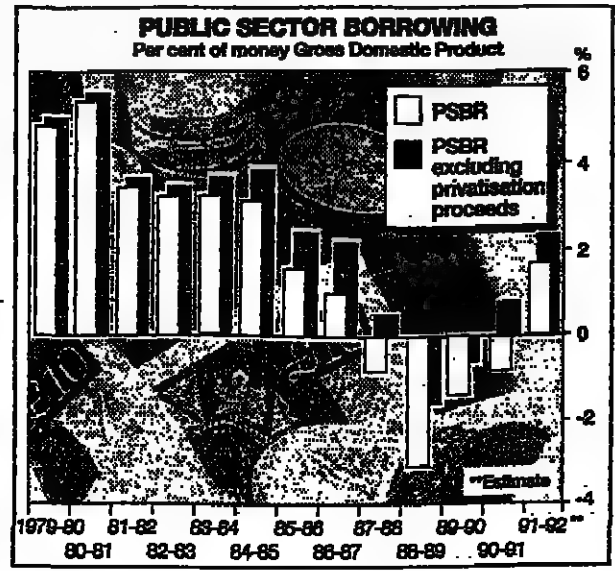
A recent Treasury paper suggested that the kind of fall in growth now being forecast would subtract about £2 billion from revenues and add more than £10 billion to public spending. On this basis, the Chancellor can argue that

he is merely allowing the "automatic stabilisers" in the fiscal system to work — and that this will help lead the economy out of recession. There are, however, two serious problems with this argument. The first is that most of the economic impact is on the spending, rather than the revenue, side of the budget. This means that the government will have to allow public spending targets to be exceeded substantially, and

the ratchet effect may make it hard to cut spending again once the economy recovers. Secondly, the Treasury model suggests that the 1991-2 PSBR might be only the tip of an iceberg, the main impact of an economic slowdown on the public sector borrowing requirement does not take effect until the second year. Because of the increasing share of corporation taxes in the government's revenues, the depth of the recession acknowledged in yesterday's forecasts suggests that revenues will fall by a further £7 billion in 1992-3, while public spending will go up by an additional £2 billion.

Although the Chancellor promised yesterday that the borrowing requirement in 1992-3 would be only slightly larger than £3 billion, calculations based on the Treasury's own model by City analysts Goldman Sachs indicate that the public sector borrowing requirement might reach £20 billion.

The better trend projected in the Budget statement will depend on some tough decisions about public spending and taxes being taken in the years ahead. Fortunately for Mr Lamont, these issues can be left until after the general election.



## Special allowance will help to ease the burden

By PHILIP BASSETT, INDUSTRIAL EDITOR

THE government's granting of a training tax allowance marks its first decisive attempt to make individuals bear more of the cost of their training.

Spending on training currently comes from three main sources — employers, the government, and individuals. Employers pay the most: some £20 billion at the last estimate. The government and individuals each provide about £8 billion.

Because of the recession and the need to cut costs, the scope for employers to increase their spending on training is limited. The government's cuts in its training budget announced after last year's round of public spending negotiations show that it has little, if any, intention of increasing its own

proportion of the cost. So, if there is to be more, ministers believe that it must come from individuals.

The relief announced by the Chancellor will be given for any training leading to the recognised standard of vocational qualifications the government is trying to promote through the National Council for Vocational Qualifications. Tax relief, to begin on April 5 next year, will be given by direct deduction from study and examination fees.

Training specialists believe that this could take more than £30 off the cost of some examinations and that, if marketed properly by the government's training and enterprise councils, the allowance could provide a significant stimulus for people to spend money on their own training.

The tax allowance is an important Whitehall victory for Michael Howard, the employment secretary. Although the Budget did not include an announcement of a new temporary work scheme, which some had expected, there is still a strong probability that the government will make a separate announcement about such a new programme within the next few weeks and perhaps before the seasonally adjusted unemployment total rises above two million next month.

## Boost for profit sharing

By NEIL BENNETT

COMPANIES are likely to face strong pressure from staff to set up pay and employee share ownership schemes related to profits, because of the tax benefits announced by the Chancellor.

Norman Lamont said that profit-related pay would be completely tax free from April 1 this year. Until now, half of such pay has been exempt. He also offered incentives to executives to establish employee share ownership plans.

Mr Lamont said that the extra tax exemption for profit-related pay might reduce unemployment in the long term. "If the economy is to perform to its full potential, we need a more flexible labour market," he said. "If wages are inflexible the burden of recession falls on jobs. There is a considerable prize if we can get pay to take some of the strain." Firms can presently pay staff 20 per cent of their

salaries, or up to £4,000, as part of a registered profit-related pay scheme. The increased exemption will mean an annual saving of £500 for a basic rate taxpayer and £800 for a top rate taxpayer.

The Chancellor also sought to ensure the success of employee share ownership plans (Esops) by offering executives the chance to buy shares in their company at a 15 per cent discount, provided they establish a share ownership plan for all employees. Companies will qualify for tax relief on the cost of setting up Esops.

From April 6, firms will be able to give £3,000 in shares to all employees as part of a profit-sharing scheme, a 50 per cent increase. Staff earning over £30,000 can be given shares worth 10 per cent of their salary up to £8,000.

The incentive for executives to establish all-employee Esops has been offered because executive share option schemes are still far more popular than the more egalitarian versions. By the end of February there were 4,700 executive schemes but only 1,900 general schemes.

Tax  
0  
£3  
in 1

BUT HOW

MONEY

THE £1.2 billion extra tax on company cars will be paid by the government and individuals. The government will pay the most: some £20 billion at the last estimate. The government and individuals each provide about £8 billion.

Because of the recession and the need to cut costs, the scope for employers to increase their spending on training is limited. The government's cuts in its training budget announced after last year's round of public spending negotiations show that it has little, if any, intention of increasing its own

The relief announced by the Chancellor will be given for any training leading to the recognised standard of vocational qualifications the government is trying to promote through the National Council for Vocational Qualifications. Tax relief, to begin on April 5 next year, will be given by direct deduction from study and examination fees.

Training specialists believe that this could take more than £30 off the cost of some examinations and that, if marketed properly by the government's training and enterprise councils, the allowance could provide a significant stimulus for people to spend money on their own training.

The tax allowance is an important Whitehall victory for Michael Howard, the employment secretary. Although the Budget did not include an announcement of a new temporary work scheme, which some had expected, there is still a strong probability that the government will make a separate announcement about such a new programme within the next few weeks and perhaps before the seasonally adjusted unemployment total rises above two million next month.

Admittedly, the effect of the new tax allowance will be to increase the tax burden on companies. But the Chancellor's decision to raise the threshold for VAT registration from £25,400 to £35,000 annual company turnover will be a welcome relief for small businesses.

Building on the success of the new tax allowance, the Chancellor also sought to ensure the success of employee share ownership plans (Esops) by offering executives the chance to buy shares in their company at a 15 per cent discount, provided they establish a share ownership plan for all employees. Companies will qualify for tax relief on the cost of setting up Esops.

From April 6, firms will be able to give £3,000 in shares to all employees as part of a profit-sharing scheme, a 50 per cent increase. Staff earning over £30,000 can be given shares worth 10 per cent of their salary up to £8,000.

The incentive for executives to establish all-employee Esops has been offered because executive share option schemes are still far more popular than the more egalitarian versions. By the end of February there were 4,700 executive schemes but only 1,900 general schemes.

The Chancellor also sought to ensure the success of employee share ownership plans (Esops) by offering executives the chance to buy shares in their company at a 15 per cent discount, provided they establish a share ownership plan for all employees. Companies will qualify for tax relief on the cost of setting up Esops.

From April 6, firms will be able to give £3,000 in shares to all employees as part of a profit-sharing scheme, a 50 per cent increase. Staff earning over £30,000 can be given shares worth 10 per cent of their salary up to £8,000.

The incentive for executives to establish all-employee Esops has been offered because executive share option schemes are still far more popular than the more egalitarian versions. By the end of February there were 4,700 executive schemes but only 1,900 general schemes.

The Chancellor also sought to ensure the success of employee share ownership plans (Esops) by offering executives the chance to buy shares in their company at a 15 per cent discount, provided they establish a share ownership plan for all employees. Companies will qualify for tax relief on the cost of setting up Esops.

From April 6, firms will be able to give £3,000 in shares to all employees as part of a profit-sharing scheme, a 50 per cent increase. Staff earning over £30,000 can be given shares worth 10 per cent of their salary up to £8,000.



# Tax relief cut offset by £3,000 rise in threshold

By LINDSAY COOK  
MONEY EDITOR

THE 1.2 million homebuyers who pay higher rate tax will have their mortgage tax relief cut from 40 per cent to 25 per cent from April 6. At present interest rates, that will add about £52 a month to the cost of £30,000 mortgages.

However, it will be partly offset by a £3,000 increase of the threshold for higher rate tax to £23,700, worth £37.50 a month. When mortgage tax relief and personal allowances are taken into account, married men will not pay tax at the higher rate until their earnings are almost £29,000.

The restriction of mortgage tax relief to the basic rate of income tax had been widely expected as Margaret Thatcher had been its only defender in cabinet. It had been regarded as vulnerable since Mrs Thatcher was ousted as prime minister in November. She was the only defender in the cabinet of the extra cash help for higher rate taxpayers.

house prices and that the reduction of interest rates would be far more important. At the Abbey National, Richard Boulton, manager of market planning, said: "It was always likely to happen because the higher rate relief caused the Inland Revenue a big administrative problem." The higher rate relief is not dealt with in the mortgage interest relief at source system (MIRAS) but is calculated separately by tax officials. The additional relief is then paid through the tax coding system. Mr Boulton said that the Abbey National's standard mortgage rate was cut to 13.85 per cent on Monday. "We would need another 1 per cent point off bank base rates to cut mortgage rates again. Then the reduction should be about 0.75 of a point. We are expecting a likely cut of 0.5 of a point this week and a further 0.5 cut in about a week."

Last week Francis Maude, financial secretary to the treasury, had disclosed that the ceiling for mortgage interest relief could be raised to £37,000 at no cost if higher rate relief were scrapped. The ceiling was last raised in 1983.



The cost of the additional relief was estimated at £470 million for 1990-1 at the time of the last mortgage rate cut. The Chancellor put the saving at £420 million indicating that further interest rate cuts are on the way. The sum eligible for mortgage tax relief remains £30,000.

Adrian Coles, of the Building Societies Association, said: "The effect of the change will be minimal because of the raising of the higher rate threshold. Much more important is the future of interest rates. We do not regard this as gloom and doom for the housing market."

Building societies and banks had felt unable to defend the higher rate relief, although they stopped short of calling for its withdrawal. In January, however, the director general of the Building Societies Association, Mark Boleat, suggested at the Institute of Economic Affairs conference that higher rate relief could be abolished and the threshold for the 40 per cent tax rate increased "by about £4,000" so that no one would be worse off.

Jim Birrell, chief executive of the Halifax Building Society, said: "The abolition of higher rate relief was not unexpected, but there is a compensating factor in the increase in the higher rate threshold." A society spokesman added that the change would have no impact on

## VAT bill may add extra £33m

By SARA MCCONNELL

CHARITIES said that they faced paying an extra £33 million a year because the Chancellor had raised value-added tax rate to 17.5 per cent from 15 per cent and had not given any VAT relief for charities.

Berry Gifford, of the Charities Tax Reform Group, said: "We are absolutely devastated at the Budget. Not only did the Chancellor not introduce measures to help charities with their very heavy VAT burden, which currently amounts to over £200 million a year, but he also increased the rate of VAT by 2.5 per cent, thereby increasing the

VAT burden by £33 million a year. Cancer Research Campaign's VAT bill will rise by £150,000 a year. The company relief announced are merely cosmetic and not worth anything in the medium term."

Charities could face an even larger VAT bill of £750 million in 1992, when VAT relief is standardised, he said.

Mr Lamont removed the top limit of £5 million on tax-deductible giving via GiftAid and also the anomaly whereby subsidiary companies giving via it had to divide the gift equally between the companies up to the £5 million maximum, restricting the giving of each group. However, Adrian Randall, of the Charities Finance Directors Group, said: "We are disappointed that the lower limit was not reduced to £250 from £500, and removing the upper limit in a recession is not going to make much difference."

## Vital help not given, say unions

By TIM JONES  
EMPLOYMENT CORRESPONDENT

SEA-FARING unions claimed that the Budget proposal to extend tax relief to sailors working mainly overseas would do little to halt the "catastrophic decline" in the British shipping industry.

Lord Sterling, president of the General Council of British Shipping, said it was "extraordinary that the government, recognising the strategic requirement of the merchant fleet, has not introduced measures vital to rebuild the UK flagged fleet manned by British seafarers."

The new measure means that British "deep sea" sailors can spend 183 days out of 365 at home without their foreign earnings being subject to UK tax. Previously, they were exempt for 90 days. Although the measure is designed to encourage UK ship-owners to employ more British crew members, the National Union of Marine, Aviation and Shipping Transport Officers said the Chancellor had ignored pleas from the union and ship-owners for tax concessions on shipbuilding programmes.

A spokesman said: "Since 1975 the number of British registered ships has declined from 1,600 to 310 and the number of British seafarers from 75,000 to 15,000. This measure may halve the decline in the number of British seamen but will do nothing to prevent UK shippers continuing to use flags of convenience."

The rate of tax increases on cigarettes since 1979 has been 40 per cent higher than

## Missed chance to widen fuel price gap is decried

By KEVIN EASON  
MOTORING CORRESPONDENT

THE Chancellor was told last night that he had missed an opportunity to boost the green campaign by substantially widening the price differential between petrol and diesel fuel.

He added 4p a litre (18p a gallon) to four-star petrol and 3p a litre (13p a gallon) to unleaded and diesel fuels, taking the average four-star price up to about 48.9p a litre (222.1p a gallon), unleaded 44.9p (203.5p) and diesel to 42.9p (194.4p). The Automobile Association said that £54 on average would be added to the cost of private motoring over 8,000 miles.

The motor industry was deeply disappointed that the Chancellor did not create a wider differential between petrol and diesel to encourage the use of a fuel that offers 25 per cent more economy. That would have followed the precedent set in the rest of Europe, where diesel cars are favoured for being more economical than petrol-powered vehicles, leading to lower levels of pollutants and emissions of carbon dioxide.

Diesel cars accounted for 6 per cent of last year's total new car sales of more than two million in Britain, compared with more than 30 per cent in France. However, diesel is also much cheaper in France than either leaded or unleaded petrol.

The latest check on international fuel prices by the AA showed that diesel on French garage forecourts was retailing at an average 183.8p a gallon (40.5p a litre) compared with 239.2p (52.7p) for unleaded

and 245p (54p) for four-star leaded petrol. Norman Lamont, however, clearly feels that fuel is as cheap now as at any time in the past three decades and therefore open to be more heavily taxed so that the polluter pays through his greater fuel use.

Figures from Shell indicate that petrol in 1990 was cheaper in real terms than at any time since 1964. The Chancellor said that increasing petrol prices would force

motorists to study their fuel costs and encourage them towards smaller-engined cars. The raising of the duties on petrol and diesel by 15 per cent is the first in what is likely to be a long series of rises in the price of energy over the next 15 years, as part of Britain's strategy of combating global warming by limiting the carbon dioxide produced by motor vehicles and power stations (Michael McCarthy writes).

It was foreshadowed in the environment white paper produced last autumn.

## Inflation-sized increases put 56p on Scotch

By GILLIAN BOWDITCH

ALCOHOL

HIGHER excise duties have added 2p to the price of a pint of beer, 9p to a bottle of table wine and 56p to the average price of a bottle of whisky. The increases were in line with inflation at 9.3 per cent and were expected.

Cider goes up by 1p a pint and sparkling wine by 15p. Fortified wines such as port and sherry increase by 15p to 18p a bottle. The price increases took effect at 6 pm yesterday.

The increase in VAT from 15 to 17.5 per cent will mean an additional 2.5 per cent VAT on the VAT-exclusive retail price of alcoholic drinks from April 1. The excise and VAT increase on alcoholic drinks will add £310 million to the Exchequer's coffers.

Mr Lamont said in the Budget that he would legislate to change the basis on which beer is taxed so that the duty paid will reflect a beer's alcoholic strength. Low alcohol beers will be taxed more leniently.

In last year's Budget the Chancellor increased taxes in line with the rate of inflation for all alcoholic drinks except spirits, adding 2p to a pint of beer and 7p to a bottle of table wine. Spirits, which the Chancellor then said had enjoyed a duty standstill since 1985, were increased by 10 per cent. This added 54p to the price of a bottle, 12p above the rate of inflation. There was no increase in the tax on alcohol in the 1989 Budget.

The Scotch Whisky Association said that this year's duty increases were disappointing and pointed out that sales of Scotch had fallen 3 per cent since last year's Budget. Unless the government adopts a fairer structure for taxing alcoholic drinks in Britain it would not be able to argue

effectively for fairer taxation of Scotch whisky within the European Community, the association said.

The SWA would like to see a system whereby all drinks are taxed at the same rate per unit of alcohol content. The tax on an ounce of Scotch before the Budget was 19.7p. The same amount of alcohol in beer was taxed at 10.2p, in wine at 10.97p and in sherry at 12.47p.

Scotch whisky exports amounted to around £1.7 billion last year contributing around £1 billion to the Exchequer through excise duty and tax. The Brewers' Society has also been arguing for fairer tax treatment of beer within the EC. British beer drinkers pay the second highest rate of tax in Europe. European harmonisation of beer tariffs could bring the price of a British pint down by as much as 11p.

The Wine and Spirits Association says sales of table wines have fallen in the last year and that in five years sherry and port have lost two-thirds of sales volume under the weight of growing taxation. The association would like the differential in tax between table wines and fortified wines to disappear.

But not everyone was unhappy about yesterday's tax increases. Alcohol Concern said: "We welcome the decision to increase the duties in line with inflation. 'We are pleased about the higher rates of duty for higher strength drinks but we would like to see even greater incentives to reduce alcohol consumption and prevent the 28,000 annual deaths linked with alcohol which makes it the second biggest killer after tobacco'."

	Beer	Cigarettes	Wine	Whisky
Price increase in duty	2p	16p	5p	56p
New prices	£1.04	£1.80	£2.87	£9.70
	£1.06	£1.96	£2.92	£10.26

Source: Customs & Excise

## 15% rise causes fear of job losses

By COLIN CAMPBELL

THE Chancellor raised tobacco duty by 15 per cent, well above the rate of inflation, adding 16p to the cost of a packet of 20 cigarettes and 8p on a packet of five small cigars. The Tobacco Advisory Council said the rise would push inflation up by 0.28 percentage points and lead to further job losses.

A pack of 20 Benson & Hedges (the country's largest selling cigarette brand) will go up from 180p to 196p, and the cost of five small cigars will rise from 146p to 154p. The increase in VAT to 17.5 per cent from April could push the cost of 20 cigarettes towards £2 a packet.

The tobacco council said the higher duties were "very disappointing" and the Chancellor had ignored the consequences for employment and jobs.

The government's total excise and VAT collection from the sale of one packet of 20 cigarettes at 196p now rises to 75 per cent of the retail price. It received 73

per cent of the cost of a packet sold at 180p. Brendan Brady, of the advisory council, said the higher prices would lead to increased imports of cheaper cigarettes and would not deter people from smoking.

Tobacco is already the largest single contribution made by consumers to the government tax coffers. In 1989 tobacco sales gave £6,068 million of tax to the government, compared with £6,065 million in 1988. Tax receipts from the tobacco industry exceed those generated from oil.

The council said yesterday that since tobacco has a 3.4 points weighting in the calculation of the Retail Price Index, a 10p change in the cigarette price adds 0.175 points to the rate of inflation. The industry claims that it is already over-taxed, subject to severe fiscal discrimination, and that excise duties levied since 1979 have been disproportionately high when compared with other

excisable goods that can be levied.

The price of a typical 196p packet is 80.3p specific duty, 41.16p ad valorem, and 25.57p VAT at 15 per cent. The remainder is covered by manufacturing and distribution costs and margins, and wholesale and retail earnings.

The rate of tax increases on cigarettes since 1979 has been 40 per cent higher than

that required to keep pace with inflation. The number of people employed in the tobacco industry has fallen steadily. In 1979 Britain's tobacco industry employed 40,000, but by 1991 the figure had fallen to 14,500 and the council is predicting more losses in 1991, and could be headed for 13,000.

The number of "sticks" (cigarettes) sold in 1989 was 97 billion, and an estimated 37 per cent of the adult population smokes. The council claims, contrary to the Chancellor's speech, that the industry has been static if not in decline for a number of years.

The British Medical Association welcomed the higher duties, but said they were not enough to put cigarettes out of the reach of children.

The British tobacco industry has taken various steps to try to remain competitive at home and abroad. However, the industry's creditable contribution to the balance of payments depends on a predictable policy of fiscal restraint, the council says.



## Options. Because you can't change the Budget but you can change your mortgage.

If you've been squeezed by higher rate tax relief going, or just by the extra on VAT, you need to switch to a mortgage that can cope quickly. And that's Town & Country Options.

It offers total flexibility allowing you to decide when, what and how you pay. You could pay less, or more, even take a year off direct repayments if you like.

And with Options you can decide to change even at short notice, you don't have to wait for a year like some mortgages.

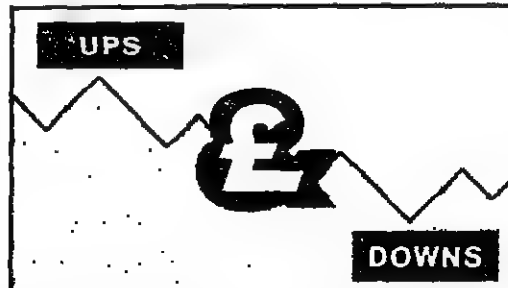
Change your existing mortgage to Options today and get the benefit of the up-to-date and flexible mortgage.

It won't cost any more than our existing competitive rate and there's no rolled up interest or hidden extras either. Please read the example below for actual rates and legal requirements.

Or, call our Mortgage

Centre in office hours on 0473 240640 for fast, friendly advice. For 24 hour service and written details call 0500 400 400

Town & Country anytime or just send in the coupon.



Send the coupon to: Town & Country Telecare, FREEPOST, Ipswich IP1 5BR.

Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_ Tel. No. \_\_\_\_\_

## TOWN & COUNTRY BUILDING SOCIETY

& MORTGAGES & ADVICE & INVESTMENTS & EFFICIENCY & BANKING & SERVICE &

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT. Written quotation available on request. In all cases, the property being mortgaged and the money being advanced will be security for the loan. Applicants to be over 18. All loans subject to valuation and status. Example of a loan being increased by 10%: 55% of which is used to provide a reduction in direct payments in year 1, 35% in year 2 and 10% in year 3. The total loan is a remortgage being used for private purposes outside MIRAS. Valuation £250,000. Loan required £60,000. Additional amount to be placed into a Monowise account £4,000. Total loan £64,000. Assumed term of mortgage 25 years. Gross monthly repayments of interest: Direct payments Year 1, 12 payments of £481.30; Year 2, 12 payments of £481.30; Year 3, 12 payments of £481.30; Years 4-25, 284 payments of £756.30. Indirect payments from Monowise Account Year 1, 12 payments of £273.00; Year 2, 12 payments of £273.00; Year 3, 12 payments of £273.00; Years 4-25, 284 payments of £756.30. Total monthly payments £756.30. Total amount payable £293,147.93. This includes a valuation fee of £114.95, solicitor's mortgage charges of £110 and an administration charge of £33.00. The assumed advance is completed on the first of the month and the interest rate remains constant at 13.75% (APR 1991). A mortgage indemnity guarantee premium is charged where the loan exceeds the Society's normal lending limits. Rates correct at time of going to press. Remortgages up to 85%. No direct payments need be made during a maximum 12 month period. They are made indirectly from the Monowise Account.

& OPTIONS &



# Freeze on regular increase in standard rate for married couples

By LINDSAY COOK  
MONEY EDITOR

PERSONAL tax allowances will be increased in line with inflation with the exception of the standard married couple's allowance, the additional personal allowance paid to single parents and the widow's bereavement allowance, which remain unchanged.

The allowances, which determine how much a person can earn each year before paying tax, will be raised by 9.4 per cent to 9.8 per cent.

The threshold for the higher rate of 40 per cent was increased by £1,000 more than required by indexation to £23,700 - an increase of £3,000.

The income tax changes mean that most taxpayers will pay £1.39 a week less tax. These reductions should be included in the first pay packets after May 17.

The standard personal allowance for all people under 65 is increased by £290 to £3,295. This is an increase of 9.7 per cent.

The married couple's allowance, which is given to husbands, remains at £1,720, as does the additional personal allowance and widow's bereavement allowance.

The personal allowance for

## ALLOWANCES

people aged 65 to 74 year is increased by £350 to £4,020 and the allowance for those over 75 rises to £4,180. The married couple's allowance for 65 to 74 year olds is increased by £210 to £2,355. The married couple's allowance for those over 75 is also increased by £210 to £2,395. The total cost to the Revenue of the increases will be about £2 billion in 1991-2.

The freezing of the standard married couple's allowance will save £360 million in 1991-2 and £490 million in 1992-3. The income limit for age allowance is increased by £1,200 to £13,500.

Personal tax allowances have been indexed to the inflation rate since 1977. The Labour MP's Jeff Rooker and Audrey Wise forced an amendment on the government which has guaranteed the index-linking of the allowances in every Budget except that in 1981. The government can, however, override the amendment and freeze all or some allowances.

The Rooker-Wise amendment specifies the allowances should be linked to the inflation rate in the previous

December. Last year that was 9.3 per cent, which would have given a single person's and married woman's allowance of £3,275.

Married men would have been able to earn £5,164 when the married couple's allowance was taken into account. The freezing of that allowance means that they will be able to earn £5,015.

Most single people and married women between 65 and 74 should be £1.68 a week better off and those over 75 £1.73 a week better off.

Married men pensioners up to 75 will be £2.69 a week better off. Over 75 the gain should be £2.74 a week.

The increases in the basic rate limit and the allowances means that single people and married women with an income of over £26,995 will pay £10.88 a week less tax. Married men with an income over £28,715 will also be £10.88 a week better off.

Just over half of the higher rate taxpayers have mortgages and will be hit by the abolition of higher rate tax relief on mortgage interest. This will work out at £11.90 a week on a £30,000 mortgage when the mortgage rate is 13.75 per cent.



Welcome news: Susan Hunt at home in Devon with her daughters Samantha (left) and Clare

## Caring way to the purse of a single parent

By DAVID YOUNG

SUSAN Hunt, aged 44, a single parent, of Gammaton, Devon, estimates that the Budget will leave her slightly better off, although any cut in interest rates would have little effect as her £30,000 mortgage is on a fixed rate until next October. The changes in personal tax bands will benefit her as a single person for tax purposes, since she earns £250 a week as

an operator and quality inspector in a plastic moulding factory.

She is a non-smoker and non-drinker, so excise duty increases will make no difference to the family budget, and as she drives an economical 950cc car at a low annual mileage, dearer petrol will hardly affect her. She also receives £5.65 single-parent benefit, £7.25 child benefit for her 16-year-old daughter who is at college, and her 18-year-old daughter,

who has been unemployed since completing O levels, receives £28 a week income support.

The April and autumn increase in child benefit allowance will bring in £2 a week. The biggest benefit will come in the predicted £140 fall in the local community charge, but that will be outweighed by increased VAT. "The Budget seems to show that the government has become more caring," she said.

## Unhappy verdict from pensioners

By BILL FROST

ERNEST and Ena Brown, a married couple in their eighties from Wandsworth, south-west London, began watching the Chancellor's Budget speech with a clear list of priorities. They wanted lower food prices, higher duty on alcohol and tobacco, and a cut in interest rates to help young home-buyers. "Higher pensions would be welcome too,"

said Mrs Brown. When Mr Lamont set down the Browns were less than impressed.

"This is not very encouraging," said Mr Brown. The couple welcomed the 15 per cent increase in tobacco duty but said it should have been higher to discourage smokers. The Chancellor had also been

too lenient on drinkers. "Drink is still very cheap in real terms. It is a luxury, and people will pay for it; that is a way of raising revenue," said Mr Brown.

The couple thought the Chancellor had been "stingy" over pensions. "He could have put them up a bit more, after all we pay tax for long enough," said Mrs Brown. Ernest Brown's jaw dropped at

the announcement that VAT was to rise by 2.5 per cent. "Prices will just keep on rising now. The budget won't help business, the pensioner or the first-time house-buyer. If this was a pre-election budget aimed at vote-catching, it has failed miserably," Ena Brown said. "The sting really was in the tail with this VAT increase. It is just going to put everything up."

Save Child Benefit, a coalition of 50 organisations campaigning for the retention of a universal benefit, said: "We are pleased that the government has recognised the advantages of child benefit over child tax allowances."

### PERSONAL TAX ALLOWANCES

	1991-92	1990-91
Basic rate income tax	25%	25%
Higher rate income tax	40%	40%
Basic rate limit	23,700	20,700
Personal allowance	3,295	3,005
Personal allowance (age 65-74)	4,020	3,670
Personal allowance (age 75 and over)	4,180	3,850
Married couple's allowance	1,720	1,720
Additional personal allowance and widow's bereavement allowance	2,855	2,855
Married couple's allowance	2,395	2,185
Age 65-74	2,395	2,185
Age 75 and over	2,395	2,185
Income limit for age-related allowance	13,500	12,300

### MARRIED COUPLE, BOTH WORKING, ONE CHILD

	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
20,000 MORTGAGE										
GROSS ANNUAL INCOME	12,500	12,500	12,500	12,500	21,000	21,000	21,000	21,000	45,000	45,000
- Personal allowance	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005	5,015	3,295
- Mortgage interest	1,375	1,375	1,500	1,500	1,375	1,375	1,500	1,500	1,375	1,375
Taxable income	7,485	9,205	7,775	9,495	15,985	16,705	15,985	16,705	38,985	39,705
Tax thereon	1,871	2,301	1,944	2,374	3,995	2,675	4,069	2,749	12,439	7,127
Higher rate mortgage relief	0	0	0	0	0	0	0	0	0	0
NI contributions	839	839	839	839	1,639	1,639	1,471	1,471	1,639	1,471
+ Child benefit	0	455	0	377	0	455	0	377	0	455
NET INCOME	8,883	9,715	8,896	9,845	15,985	16,705	15,985	16,705	38,985	39,705
JOINT NET INCOME	19,411	19,411	19,411	19,411	31,970	33,410	31,970	33,410	77,970	79,410
% Tax reduction	3.38		2.14		1.56		3.37			
40,000 MORTGAGE										
GROSS ANNUAL INCOME	12,500	12,500	12,500	12,500	21,000	21,000	21,000	21,000	45,000	45,000
- Personal allowance	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005	5,015	3,295
- Mortgage interest	1,375	1,375	1,500	1,500	1,375	1,375	1,500	1,500	1,375	1,375
Taxable income	7,485	9,205	7,775	9,495	15,985	16,705	15,985	16,705	38,985	39,705
Tax thereon	1,871	2,301	1,944	2,374	3,995	2,675	4,069	2,749	12,439	7,127
Higher rate mortgage relief	0	0	0	0	0	0	0	0	0	0
NI contributions	839	839	839	839	1,639	1,639	1,471	1,471	1,639	1,471
+ Child benefit	0	455	0	377	0	455	0	377	0	455
NET INCOME	8,883	9,715	8,896	9,845	15,985	16,705	15,985	16,705	38,985	39,705
JOINT NET INCOME	19,411	19,411	19,411	19,411	31,970	33,410	31,970	33,410	77,970	79,410
% Tax reduction	3.38		2.14		1.56		3.37			

### MARRIED COUPLE, 65-74

	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
NO MORTGAGE										
INCOME (PENSIONS)	8,375	1,625	8,534	1,486	11,145	1,625	11,034	1,486	13,375	1,625
- Personal allowance	5,015	4,020	5,015	3,670	5,015	4,020	5,015	3,670	5,015	4,020
- Mortgage interest	0	0	0	0	0	0	0	0	0	0
Taxable income	3,360	2,605	3,519	1,816	6,130	2,605	6,019	1,816	8,360	2,605
Tax thereon	500	0	500	0	1,195	0	1,305	0	1,375	0
NET INCOME	7,875	1,625	8,034	1,486	10,935	1,625	10,729	1,486	11,995	1,625
JOINT NET INCOME	15,750	15,750	16,068	16,068	21,870	21,870	21,754	21,754	23,990	23,990
% Tax reduction	26.47		8.58		18.03		3.24			
40,000 MORTGAGE										
INCOME (PENSIONS)	8,375	1,625	8,534	1,486	11,145	1,625	11,034	1,486	13,375	1,625
- Personal allowance	5,015	4,020	5,015	3,670	5,015	4,020	5,015	3,670	5,015	4,020
- Mortgage interest	1,375	1,375	1,500	1,500	1,375	1,375	1,500	1,500	1,375	1,375
Taxable income	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000
Tax thereon	839	0	839	0	1,639	0	1,471	0	1,639	0
NET INCOME	7,536	1,625	7,695	1,486	10,366	1,625	10,163	1,486	11,736	1,625
JOINT NET INCOME	15,071	15,071	15,381	15,381	20,991	20,991	20,636	20,636	23,371	23,371
% Tax reduction	13.48		2.81		3.65		6.84			

### MARRIED COUPLE, OVER 75

	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
NO MORTGAGE										
INCOME (PENSIONS)	8,375	1,625	8,534	1,486	11,145	1,625	11,034	1,486	13,375	1,625
- Personal allowance	5,015	4,180	5,015	3,850	5,015	4,180	5,015	3,850	5,015	4,180
- Mortgage interest	0	0	0	0	0	0	0	0	0	0
Taxable income	3,360	2,445	3,519	1,636	6,130	2,445	6,019	1,636	8,360	2,445
Tax thereon	450	0	450	0	1,195	0	1,305	0	1,375	0
NET INCOME	7,925	1,625	8,084	1,486	10,950	1,625	10,729	1,486	11,995	1,625
JOINT NET INCOME	15,850	15,850	16,169	16,169	21,900	21,900	21,754	21,754	23,990	23,990
% Tax reduction	28.79		9.06		16.54		3.25			
40,000 MORTGAGE										
INCOME (PENSIONS)	8,375	1,625	8,534	1,486	11,145	1,625	11,034	1,486	13,375	1,625
- Personal allowance	5,015	4,180	5,015	3,850	5,015	4,180	5,015	3,850	5,015	4,180
- Mortgage interest	1,375	1,375	1,500	1,500	1,375	1,375	1,500	1,500	1,375	1,375
Taxable income	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000
Tax thereon	839	0	839	0	1,639	0	1,471	0	1,639	0
NET INCOME	7,536	1,625	7,695	1,486	10,366	1,625	10,163	1,486	11,736	1,625
JOINT NET INCOME	15,071	15,071	15,381	15,381	20,991	20,991	20,636	20,636	23,371	23,371
% Tax reduction	14.30		2.72		3.98		6.12			

### SINGLE PERSON, OVER 75

	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
NO MORTGAGE						
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
- Personal allowance	4,180	3,850	4,180	3,850	4,180	3,850
- Mortgage interest	0	0	0	0	0	0
Taxable income	5,820	6,150	10,820	11,150	15,820	16,150
Tax thereon	1,465	1,545	2,893	2,999	4,178	4,294
NET INCOME	8,545	8,455	12,927	12,001	15,622	15,756
% Tax reduction	5.83		3.54		1.71	
40,000 MORTGAGE						
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
- Personal allowance	4,180	3,850	4,180	3,850	4,180	3,850
- Mortgage interest	1,375	1,375	1,500	1,500	1,375	1,375
Taxable income	4,445	4,775	9,320	9,650	14,445	14,775
Tax thereon	1,100	1,170	2,399	2,505	3,699	3,805
NET INCOME	8,900	8,830	12,601	12,495	16,301	16,195
% Tax reduction	4.89		7.38		5.84	

Figures compiled by KPMG Peat Marwick McLintock

The following assumptions have been made in the calculation of these figures: <sup>1</sup> Mortgage interest is paid under Miras. <sup>2</sup> Mortgage interest is allocated equally except where more beneficial to allocate otherwise. <sup>3</sup> Retired married wives are assumed to receive only state pension. Husband's income reduced to take account of increase in wife's pension for 1991-92 for comparison purposes. <sup>4</sup> All calculations are rounded to nearest pound. <sup>5</sup> Class I National Insurance contributions (not contracted out).

## Families to get rise in October

By JILL SHERMAN  
SOCIAL SERVICES  
CORRESPONDENT

THE Chancellor took people by surprise yesterday when he announced further rises in child benefit of £1 for the first child and 25p for other children from October. The mid-year rises, which follow an increase of £1 for the eldest child from next month, will raise benefit for the first child to £9.25 and for other children to £7.50.

Mr Lamont's announcement follows months of speculation that the government would modify child benefit or replace it with child tax allowances. The Chancellor promised that the benefit would be increased in line with inflation "next April



150

20 1991

BENEFIT  
ilies  
get  
e in  
ober

SIR PETER  
SIR PETER  
SIR PETER

After took people  
esterday when he  
further from the  
of 11 for the first  
up for other child  
closer. The child  
which follow in  
11 for the child  
next month, and  
for the first child  
for other children

tion's announce  
ows months of  
that the govern  
it modify child  
replace with child  
mies. The Child  
that the bene  
is intended in line  
on "next April  
gent years". He  
agrees that the gov  
unlike to about  
t, although it is  
weighting towards  
child, which was  
last year.

incellor said that the  
flected a widespread  
more, should be  
help families with  
The increases would  
ed from the revenue  
not increasing the  
ouples allowance  
d that some people  
oried the increase  
did tax allowances  
died in that opinion  
but I am clear  
y, I believe the w  
in a self-sufficient  
that it would not h  
live with a change  
sources to those wh  
can. Another way a  
helped might be to  
of money, whether  
sing to a not not a  
credit, it goes to d  
for the children of  
parents, as well as the  
of tax allowances.

Child benefit is a  
of the government  
giving to the revenue  
universal benefit tax  
free. It is a tax  
free benefit, and the  
current rules have  
giving to a child benefit  
and tax allowances.

CHILDREN

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

1990-91

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

CHILDREN

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

1990-91

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

1990-91

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

1990-91

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

1990-91

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

1990-91

1990-91	1991-92	1992-93
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000
20,000	20,000	20,000

# DIESEL. A QUICK WORD.

Still in two minds over diesel? Worried about being left behind at the lights?

Relax. With the new Rover 218 SLD Turbo you can enjoy the same level of performance that has won accolades for the rest of the Rover 200 series.

Acceleration is brisk, with a top speed comfortably over the 100 mph mark (where permitted).

Inside, there's a five-speed gearbox, power-assisted steering, electric front windows and a slide-and-tilt sunroof. As well as the burr walnut finish you'd expect in a Rover.

With 64.4 mpg fuel economy at a constant 56 mph<sup>†</sup>, only the occasional visit to the filling station will remind you that you're driving a diesel.

THE NEW ROVER 218 SLD TURBO



† CAR SHOWN ROVER 218 SLD TURBO. PRICE £12,495. ROVER 200 DIESELS FROM £8,990 TO £12,495. ALL PRICES QUOTED CORRECT AT TIME OF GOING TO PRESS. EXCLUDE ROAD TAX, NUMBER PLATES AND DELIVERY. † 11.0% V. FIGURES: ROVER 218 SLD TURBO URBAN 7.9 MPG/11.1 PER 100 KM CONSTANT 54.2 MPG/11.1 PER 100 KM CONSTANT 75 MPH 64.5 MPG/11.1 PER 100 KM. NATIONWIDE CAR RENTAL RESERVATIONS THROUGH BRITISH CAR RENTAL 100 650000. TAX FREE SALES INFORMATION: 05 425 201 EXT. 331. FOR FULL DETAILS OF YOUR NEAREST ROVER DEALER RING 050 600000.



# 'Above all, a Budget for business'

THE Chancellor of the Exchequer, Norman Lamont, said in his Budget statement: Like, I suspect, most chancellors, I have found the preparation of this, my first Budget, very exciting but also a bit intimidating.

As usual, I have read a huge amount of speculation in the press over the last few weeks about the contents of the Budget. I have also learnt some new things about myself. For example, I was surprised last Wednesday to read that I am almost as well known as Desert Orchid—and I have not yet run in the Gold Cup.

Actually, Desert Orchid and I have a lot in common. We are both grey; vast sums of money are riding on our performance; the Opposition hopes we will fall at the first fence; and we are both carrying too much weight.

## ENTERPRISE

### Chancellors praised

The crucial difference is that chancellors are never favourites. Particularly, perhaps, Scottish chancellors. After all, as Ogden Nash put it: "no McTavish is ever lavish".

But I have had the advantage of serving at the Treasury under two chancellors: the prime minister, who last year delivered a notable Budget for savers, and before that Mr Nigel Lawson, if the House will allow me one personal observation, working for Mr Lawson was always stimulating and I am very grateful for his encouragement and friendship over the years. My admiration and respect for him remain undimmed.

I intend to carry forward their work. My central economic aim is to bring inflation down and keep it down. Beyond that, my objective is to encourage enterprise by creating a broadly based tax system that allows markets to do their job with the minimum of distortion and government interference.

While there is no scope this year for an overall reduction in taxes, my Budget today will include measures to help businesses through the recession in the short term and to encourage them to invest for the longer term. It will provide assistance for families. It will also further the process of tax reform and make some radical changes in the tax system.

However, as usual, I shall begin with a review of the economic situation and prospects. I shall then deal with monetary policy and the public finances. Finally, I will present my tax proposals.

## PROSPECTS

### Production has fallen

I turn first to international developments. The past year has brought recession to a number of major industrial countries including the US, Canada and Australia. Growth in Germany has been sustained by reunification; but elsewhere in Europe activity has slowed and industrial production has fallen in recent months in Spain, Italy and France. In five out of the seven leading industrial nations industrial output is now lower than it was a year ago.

The basic cause is the same everywhere: very rapid growth in the industrialised world during the Eighties led to the re-emergence of inflationary pressures. A period of slower growth was needed to stop inflation taking hold again.

In the autumn, the slowdown was magnified by the Gulf crisis. Business and consumer confidence was badly dented first by the uncertainties and the sharp rise in oil prices that followed the invasion of Kuwait, and then by the prospect of war. Travel and tourism were especially hard hit.

Mercifully, the war was brief and the outcome successful. Confidence is recovering and that will strengthen the economic upturn when the time comes. And the fall in oil prices has already improved the outlook for inflation.

So while 1991 as a whole will show little growth in the seven major economies, a half per cent increase in industrial production compared to 5.75 per cent in 1988, the slowdown is unlikely to last long.

Inflation is already moderating in those countries which are in recession. And activity should start to recover later this year in North America, helped by continued expansion in Germany and Japan.

In the UK the recession came after eight years of growth averaging 3 per cent a year.

This sustained growth bred confidence and that in turn led to a quite unprecedented rise in borrowing. Personal

borrowing increased by nearly 40 per cent in 1988 alone, to reach £54 billion—and a new record for the ratio of debt to income. This produced a sharp drop in the personal saving ratio which coincided with a massive boom in investment by companies. In itself the rise of investment—nearly 80 per cent between 1981 and 1989—was welcome. But the economy could not go on expanding at that rate. Some firms and individuals became over-extended. And we saw a deterioration in the current account, and a wholly unwelcome rise in inflation.

It is easy, with the benefit of hindsight, to see that policy should have been tighter. And once the problem became clear, policy was tightened. We ran a large budget surplus, interest rates were raised, and they had to stay high until there were unmistakable signs that excess demand pressure had been removed.

This took longer than we, or outside commentators, expected. And the delay meant that the adjustment, when it came, was all the sharper. Since the middle of last year, individuals and companies have been taking steps to reduce their borrowing.

## BUSINESS

### Debt burden proved heavy

Consumer spending has fallen back, and the saving ratio has risen sharply to 10.8 per cent. Firms have found it hard going. Profits have weakened, caught in the pincer of low turnover and rising costs. And the burden of debt taken on in the late Eighties has proved a heavy one.

So it is not surprising that business investment has fallen from the heights of 1989 and early 1990. Stocks are now being reduced, and companies are making strenuous efforts to cut costs. This has led to a sharp increase in unemployment in recent months, though there are welcome signs that firms are continuing to invest in skills and training. I expect output in 1991 as a whole to be about 2 per cent less than in 1990. Much of that fall, of course, has already happened. It is largely behind us, and as I shall be explaining in a moment, the resumption of growth should not be long delayed.

The process of retrenchment has been painful, as it always is. But it has been necessary and is now producing results. The current account deficit has improved sharply—especially the balance on manufactures—even though world trade has been weak. Imports have fallen, while exports in some sectors (notably cars) have continued to grow strongly—in testimony to the fact that industry is immeasurably better placed today than it was ten years ago.

And no one can doubt that inflation is on the way down. We have already seen a fall of two percentage points since the peak last October. And there is widespread agreement that the fall in inflation will continue through 1991 and into 1992.

Indeed the prospects are now better than they seemed at the time of the Autumn Statement.

The February survey by the CBI showed the balance of firms expecting to increase prices was at its lowest level ever. The forecast published today, taking account of the effect of the Budget measures, is for inflation to fall to an average of 4 per cent in the last quarter of this year and below 4 per cent in the first half of 1992. The prospect, therefore, is that we will narrow the inflation gap with Europe remarkably quickly.

In the mid-Eighties we did get inflation briefly below 4 per cent and we saw the advantages that followed. We are about to do so again, and again we will reap the benefits. For lower inflation, and the lower interest rates that go with it, will be a powerful force for recovery.

One of the lessons I have learnt from years of grappling with economic statistics, is that it is difficult to be certain about the past let alone about the future. And it is always particularly difficult to predict the timing of turning points in the economy. But there are good reasons to expect that the recovery will begin around the middle of this year, although initially it may be slow.

## CONFIDENCE

### War's end to aid revival

As we found ten years ago, confidence revives as inflation comes down. This time, the ending of the Gulf war will give the revival an added boost. Just as falling consumer spending contributed to the onset of recession, so return-



Delighting the cabinet: the Chancellor delivering his Budget speech yesterday flanked by a happy John Major

ing consumer confidence is likely to lead the recovery. At the same time, the reduction of stocks is likely to slow and the UK will benefit from the upturn in the US and elsewhere in the world.

As a result, I expect output to stabilise in the next few months and then increase by about 2 per cent between the first half of this year and the first half of 1992.

Looking further ahead, our projections show growth of about 3 per cent a year as the economy recovers further.

The easing of demand pressures has already brought a marked improvement in our current account. As the House will have noticed there can be lags not just between policies and their effects but between the effects in the real world and their appearance in the official statistics. As a result of the recent revisions of the figures for invisible imports and exports, the current account deficit for last year is now estimated at under £13 billion, £2 billion less than forecast at the time of last year's Budget.

This year I expect the deficit to be halved to £6 billion, about 1 per cent of national income.

Regrettably, unemployment is likely to go on rising for a while yet, even after the recovery has started. How far and how fast it rises will depend in part on the speed with which pay settlements come down. And come down they must—eventually—to the levels prevailing in other ERM countries. There is no escape route through devaluation, and firms know this.

Fortunately a sharp fall in inflation is in prospect. And the reforms we have introduced over the past decade have led to more pay flexibility. Some firms have already deferred pay settlements or agreed pay pauses. The more firms that follow their lead, the sooner we can reverse the trend in unemployment, and start creating jobs again.

To sum up, the prospect for the year ahead is for an end to the recession, growth of about 2 per cent in the 12 months to the first half of 1992, and inflation below 4 per cent. This does not seem to me an unpromising outlook.

For the longer term there is every reason to be optimistic about the UK in the Nineties. Recessions are always painful. But they are an inescapable feature of market economies—and they are temporary. Longer-term growth depends on having a thriving competitive private sector. That we now have, thanks to the reforms of the past ten years. If I may confess it, I do not believe in miracles but I do believe that the right policies courageously and consistently applied year by year can produce a transformation in an economy and that is what happened in the Eighties.

So we can now build on real achievements: a record number of new businesses, faster growth in manufacturing productivity than in any major industrialised country, and faster growth in investment than in any of those countries except Japan. These achievements have helped us over the past seven years maintain our share of world trade, after 30 years of decline. They made the Eighties the first decade since the war when the UK grew faster than Germany and France.

## INFLATION

### Concern for the future

There is one proviso—and it is a crucial one. We must get inflation down. And this time we must keep it down.

For the over-riding lesson of the past few years is that the battle against inflation is never won. It is fatally easy to miss the warning signs. And hard decisions have few friends.

The costs of even a temporary reverse are high. Squeezing out inflation means high interest rates, frustrated hopes, bankruptcies and lost jobs.

But the costs of living with inflation are even higher—as those who remember the Seventies know only too well. Inflation makes our industry uncompetitive; it destroys savings; it creates uncertainty and strife. And a high rate of inflation can quickly get out of control. High rates of inflation are never stable.

I come now to the public sector finances. Over the Eighties, my predecessors transformed our public finances and made them the envy of my fellow finance ministers throughout the world. They first reduced and then eliminated our budget deficit. And in the last three years they repaid £26 billion of debt. The ratio of public sector debt to GDP has been reduced from 50 per cent in 1979 to under 30 per cent now to the benefit of this and future generations.

I am not going to flatter my legacy away. The firm control of public expenditure remains at the centre of our strategy. And I will continue to aim for budget balance in the medium term. It is a simple rule which is well understood and requires the government to finance its spending honestly.

To hold to this prudent fiscal stance, my Budget today will have a broadly neutral effect in the coming year but will produce a modest increase in revenue in 1992-3.

## Swings can be tolerated

Our entry into the ERM does not alter the requirement for fiscal policy to buttress monetary policy, and play its part in curbing inflation. So sound public finances will remain central to our strategy for the 1990s.

However, it is one of the more reliable laws of economics—not that there are many—that the budget balance varies markedly over the economic cycle. When activity is growing strongly, tax revenues rise relative to income and lower unemployment brings lower social security payments. We saw this in operation in the late Eighties when we ran large budget surpluses.

Those forces go into reverse when the economy slows down. This is why the budget surplus has shrunk over the past two years, and why we are now likely to see the temporary re-emergence of a Public Sector Borrowing Requirement.

These cyclical swings in the budget balance can play a useful role in offsetting the swings in private sector borrowing, and in stabilising the economy. They come about automatically, without the need for difficult judgments about the state of the economy. And it is entirely consistent with the medium-term approach I have already outlined to tolerate these swings in the fiscal position.

But I am not persuaded of the case for going beyond that.

In 1990-1 the government's finances have been affected both by the onset of the recession and by the Gulf War. However, as a result of the assistance we have received from our allies, the net effect of the war on the PSBR has not been as great as we feared. And the outturn on the public expenditure planning total is expected to be a little lower than we forecast in the autumn statement.

Overall, despite the war, I expect to achieve a further debt repayment this year of approaching £1 billion.

For the year ahead, I judge that a deficit of £8 billion will fairly reflect the strength of the cyclical influences. For the same reason I think it will be right to tolerate a somewhat larger deficit in 1992-3; for it takes time for the effects of lower activity to feed through fully on to revenue. The most notable example is corporation tax, which is both highly sensitive to the economic cycle, and paid in arrears.

These deficits will disappear, once output has returned to normal levels—just as the large surpluses of the late Eighties did. Prudence dictates that I base my fiscal plans on a gradual recovery in output to its long-term trend.

This implies a correspondingly gradual return to budget balance. But in practice, the speed with which this happens will depend on the exact course of the upturn.

To summarise: for the year ahead, I am budgeting for a PSBR of £8 billion, 1.25 per cent of GDP. And I expect a somewhat larger deficit in the following year. These deficits reflect the effect of lower activity on the public finances, and are fully consistent with the aim of a balanced budget over the economic cycle.

To hold to this prudent fiscal stance, my Budget today will have a broadly neutral effect in the coming year but will produce a modest increase in revenue in 1992-3.

## Small firms are helped

I now turn to my tax proposals. In preparing this part of my speech I have been guided by two of the great finance ministers of the past.

First, by Gladstone, his advice was: "Get up your figures thoroughly... and then give them out as if the whole world was interested". And secondly by Colclough, who said: "The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing".

In framing my tax proposals, I have also sought to address a number of the concerns which have been put to me and to carry forward the process of tax reform initiated by my predecessors. Above all, I have produced a Budget for business.

I therefore begin with business taxation. In this country there are 30,000 large companies paying the main rate of corporation tax, nearly one million other companies and three million unincorporated businesses, many of them very small, employing a handful of people at most. We should never forget these firms. My

measures are designed to benefit businesses in each of these categories.

I have been particularly concerned about businesses which are experiencing cash flow problems, often made worse by late-paying customers. I shall therefore be announcing measures which should give immediate help to businesses' liquidity.

My first proposals concern the VAT regime. For 18 years, ever since VAT was introduced, the rule has been that businesses become liable for VAT when they send out bills, not when they are paid. So some traders end up paying VAT even though their customers never pay them. In his Budget last year the prime minister introduced an entirely new system for giving traders relief on bad debts. This comes into effect on April 1 and extends relief to all bad debts which are at least two years old.

Many business organisations have complained to me that this waiting period is too long. I now propose to reduce it from two years to one. This will enable businesses to claim relief next year on the bad debts they incurred in 1990-1 and 1989-90. The new scheme will boost businesses' cash flow next year by some £340 million.

Actually, for the smallest firms, the problem of reclaiming VAT on bad debts need not arise in the first place because they can use the cash accounting scheme. This allows smaller firms to pay no VAT at all until they receive payment from their customers. Well over 100,000 traders are already using the scheme. But we estimate that a further 300,000 could do so. Customs and Excise will therefore be taking steps to publicise the cash accounting scheme more widely.

There is another aspect of the VAT regime which I know causes concern: the operation of the serious misdeclaration penalty which came into effect last April. There have been widespread complaints that the automatic penalty it imposes—30 per cent of the tax wrongly declared—is too severe and unfair to those who make minor mistakes.

I accept that the penalty in its current form is an unnecessarily blunt instrument. We will therefore undertake a thorough review so that the SMP system can be reformed in the 1992 Finance Bill.

## Penalty rate is reduced

I have also asked Customs to make some immediate changes to the rules, giving traders more time to put mistakes right themselves without incurring a penalty. I do not wish to pre-empt the review but, while it takes place, I am reducing the rate of penalty from 30 per cent to 20 per cent.

Accounting for VAT can be an onerous duty for small traders. When VAT was introduced therefore we exempted firms with the lowest turnovers from registration. Since then the threshold has been indexed.

EC constraints have meant that in the past we have not been able to increase the threshold by more than inflation. At the end of last year, we pressed the case with the Commission to increase the VAT threshold. They responded very positively, and I therefore feel able to go far beyond indexation and increase the turnover limit for registration by no less than 40 per cent to £35,000, taking it to its highest level in real terms since the introduction of VAT in 1973. This will benefit up to 150,000 traders. The cost of raising this threshold will be £25 million in the first year rising to £40 million in 1993-94.

I have two further deregulatory measures to announce which will benefit small businesses. At present all employers have to pay over the PAYE and National Insurance contributions (NICs) they collect from their employees 14 days after the end of each month. But the burden of collection falls unevenly: larger firms are amply compensated for the trouble and cost of collecting the tax by the benefits of holding the money for this period, small employers are not.

I have a proposal that will reduce the burden on some 700,000 smaller employers. From May onwards, employers making PAYE and NIC payments of less than £400 each month will pay quarterly, not monthly. This will reduce the administrative burden on firms and help their cash flow at a one-off cost to the Exchequer of £210 million.

I have one further measure to announce to help very small businesses account for tax. Last year for the first time businesses with a turnover

below £10,000 were allowed to send the Inland Revenue a simple three-line statement instead of detailed business accounts. This is an important deregulatory measure which cuts out time-consuming paper work for up to one million people. From April 1992, I propose to raise the £10,000 limit, to allow up to half a million more people to benefit.

There is a case for making a more radical simplification of the taxation of the self-employed. The Inland Revenue will shortly be publishing a consultative document containing our proposals.

## System of tax appeal unfair

I am concerned that the system of income tax appeals can sometimes operate unfairly, in particular because there is no provision for the award of costs. The Lord Chancellor and I want to deal with criticisms by the council on tribunals about the absence of proper rules for hearing tax appeals. We shall be publishing a consultative paper which will include proposals about the award of costs where either party has acted unreasonably.

I have one proposal to limit the impact of capital gains tax (CGT) on entrepreneurs and on our growing venture capital industry. I have in mind particularly those who may give up safe managerial positions to set out on the risky road of running their own businesses. For those people the possibility of a large CGT charge can be a deterrent.

I have considered whether it would be sensible to introduce specific rules for venture capital but have concluded that it would be very difficult to do so.

However, one way we can help businessmen and women reap the rewards of their efforts is to improve the relief available to them when they retire and have to realise the assets they have created. That is why I propose to reduce the qualifying age for CGT retirement relief from 60 to 55 and to raise the limits on it from today's first £150,000 of capital gains, and half of the next £450,000, will be exempt from CGT. This will be a powerful incentive for people to start their own businesses.

I have one other important change relating to CGT on small businesses. Under existing law only companies can offset their trading losses against their capital gains. I propose to give unincorporated businesses similar treatment. This will help small businesses if they wish to sell off assets to help themselves through a difficult period.

In addition to the measures I have announced for small business I wish to propose some changes to corporation tax.

In his Budget last year Mr Major raised the profit limits which govern the corporation tax rates paid by smaller companies. He increased the ceiling below which single companies pay corporation tax at 25 per cent from £150,000 to £200,000, and the upper limit above which they pay the full rate from £750,000 to £1 million. I propose this year to raise the limits again by a quarter, that means a total increase of 150 per cent in three years. As a result companies will need to be earning profits of more than £250,000 before they are liable to pay more than 25 per cent.

## Firms' cash flow boosted

And companies will not have to pay the full rate of corporation tax until their profits reach £150,000 a year. This will benefit 30,000 companies.

In 1984 Mr Lawson made a radical reform of corporation tax. In his time as chancellor the main rate of corporation tax was reduced in stages from 52 per cent to 35 per cent, thus boosting companies' post-tax profits, encouraging profitable investment at home and increasing the incentive for overseas firms to invest in Britain.

I believe the philosophy behind his reforms—to widen the corporate tax base but reduce tax rates—was the right one. It is a policy which was widely welcomed by industry. It allows businessmen, and not governments, to decide how much to invest and to invest in. It set the pattern for similar reforms in many countries throughout the world and ushered in an increase in investment of 50 per cent between 1984 and 1990.

I propose to take a further step today in that direction: corporation tax rates have

Continued on page 18



ial  
ance  
elp  
ise  
rden

JASSETT  
EDITOR

It's granting of  
ance made  
attempt to  
bear more of  
training, cur-  
in three man-  
years, the gov-  
individuals.  
the most: some  
last estimate  
and individ-  
ide about 13

recession and  
ut costs, the  
loyers to in-  
ding on train-  
ited. The  
its in its un-  
ounced after  
nd of public  
uations show  
itle, if any,  
easing its own

JING

he cost. So, if  
ore, minister  
ust come from

ounced by the  
be given for  
ading to the  
dard of voca-  
tions the gov-  
ng to promote  
tional Council  
Qualifications  
gun on April 1  
be given by  
in from study  
in fees

cialists believe  
take more than  
cost of some  
nd that if man-  
by the govern-  
and enterprise  
lowance could  
ficient stimulus  
end money in-  
ing.

owance is a  
itchell victory  
Howard, the  
secretary. Al-  
adjet did an  
ouncement of  
work scheme  
had expend-  
trough probab-  
ernment's  
ate announce-  
ch a new po-  
the next le-  
taps before the  
justed un-  
rises above the  
onth.

st for  
ofit  
ring

BUNNETT

are likely to  
provide from  
pay and emp-  
ownership  
ed tax profits  
or tax benefits  
the Chancellor  
ment said that  
pay would be  
free from April  
1991 now, half of  
been exempt  
d incentives to  
establish em-  
ownership plans.  
said that the  
pattern for profit-  
might reduce un-  
in the long term.  
is to perform  
tial, we need a  
labour market.  
signs are indica-  
on of recession.  
There is a  
ance if we can  
ke some of the  
can presently  
set out of their

OPS

to 14,000 a  
registered profit-  
scheme. The re-  
tion will mean  
ing of 150,000 a  
year and 1800  
taxpayer.  
also sought  
success of em-  
ownership plans  
ering executives  
but shares in  
at a 14 per cent  
d the estab-  
ownership plan for  
companies and  
ax relief on the  
up 2.4 per cent  
6. Firms will be  
1000 in shares in  
as part of a  
scheme, a 50  
use. Staff earning  
can be given  
10 per cent of  
to 15,000.  
ve for executives  
a 10 per cent  
been offered  
been share of  
are still to move  
the more rapid  
in. By the end of  
ere were 4,000  
business but only

# AND NOW, A QUIET ONE.

For many drivers, the main argument against diesel has been one of refinement. You couldn't have economical performance, it seemed, without economical specification.

If you're such a driver, may we point you gently in the direction of the new Rover 418 GSD Turbo? It has all the performance and elegance of its 400 Series petrol equivalents, together with outstanding fuel economy.

Even at 70mph, all is quiet in the walnut-lined interior. You'll find a six-speaker stereo and power-operated sunroof, as well as a height-adjustable driver's seat.

For the ultimate in Rover opulence, the optional luxury pack adds leather seat facings and electric rear windows.

With positive centre feel power-assisted steering, there's never been a stronger case for diesel. Or a smoother one.



THE NEW ROVER 418 GSD TURBO



ROVER

CAR SHOWN: ROVER 418 GSD TURBO. PRICE: £12,995. ROVER 418 DIESELS FROM £12,995 TO £14,995. ALL PRICES QUOTED CORRECT AT TIME OF GOING TO PRESS, EXCLUDE ROAD TAX, NUMBER PLATES AND DELIVERY. 11.1 T FIGURES: ROVER 418 GSD TURBO URBAN 70.9 MPG/71.1 PER 100 KM, CONSTANT 56.4 MPG/56.4 PER 100 KM, CONSTANT 56.4 MPG/56.4 PER 100 KM. NATIONWIDE CAR RENTAL RESERVATIONS: 0800 404040. TAX FREE SALES INFORMATION: 0800 404040. EXT 250 FOR FULL DETAILS OF YOUR NEAREST ROVER DEALER RINGING 0800 404040.



# 'I have decisively cut local taxation'

Continued from page 16

remained unchanged at 35 per cent since 1986. But since then the basic rate of income tax has been reduced from 30p to 25p and the top rate from 60p to 40p. I believe that the time has come to cut the main rate of corporation tax again.

However, I am also aware that cutting the rate of corporation tax only helps companies that are making a profit. Many businesses which have prospered in recent years may have moved into loss this year. A cut in corporation tax does not help them. Nor, in some cases, do existing arrangements for carry back of losses.

So I am taking two measures to improve company cash flow. I am cutting by 1 per cent the main rate of corporation tax, applied retrospectively to profits earned in the financial year 1990.

This will give an immediate boost to the cash flow of companies that were profitable in the year just ending. It will benefit not only companies paying at the main rate, but also the 30,000 other companies with profits between the lower and upper profits limits.

And to help those previously profitable companies that have just moved into loss, I propose to extend the carry-back period for trading losses from one year to three. That means that more companies making losses will qualify for tax rebates in 1992-3 - valued at £250 million - which will help to carry them through this difficult period.

But my main concern in this Budget is to encourage profitable firms to go on investing in Britain's future. The best way to do this is to increase still further the post-tax return on successful investment projects. For that reason I am cutting the main rate of corporation tax on profits earned in the 1991 financial year by two percentage points to 33 per cent.

The two reductions in the main rate, from 35 to 33 per cent, will together cost £380 million in 1991-2 and £330 million in 1992-3. They will give us the lowest rate among our major competitors: lower than the US and the lowest in the EC.

## SUPPLY SIDE

### Thatcher's legacy

The Eighties were years of remarkable progress in our economy, but even more striking was the change of attitude. The crucial importance of the market is now widely accepted both in this country and even in this House. It is that change of ideas and attitude that will be the lasting legacy of Mrs Thatcher.

She recognised that the key to a better performance of the economy in the long term lies in improving the supply side. And, over the past decade, that has been the aim of our tax policy, trade union and labour market reform, our competition policy, deregulation, and privatisation. But if the UK economy is to perform to its full potential, we still need a more flexible labour market and a better skilled workforce.

I have a number of further measures to announce to that end. If wages are inflexible, the burden of recession falls on jobs - it is the only way for employers to cut costs. There is a considerable prize if we can get pay to take some of the strain.

In 1987 we introduced a new tax relief to get profit-related pay schemes off the ground. There are now about 1,250 such schemes in total involving nearly 300,000 employees. But there can and should be many more. So I propose to make the scheme more attractive.

At present, half of an employee's profit-related pay is free of all tax up to the present limits. It is worth up to a full £1,000 to a basic-rate taxpayer. For some, this could be worth as much as 6p off the income tax rate.

There is another way in which employees can and should enjoy a stake in the companies they work for: through becoming shareholders in them. Employee share schemes have already made a great deal of progress over the last ten years. By the end of March last year, 2.25 million employees had benefited from shares or options worth more than £6.5 billion.

But too often employee share schemes have been directed solely at highly paid company executives. I believe strongly that valuable benefits of this kind should extend to the whole workforce.

I have given serious consideration to limiting executive share schemes solely to companies with all-employee schemes in place. But I have decided instead to rely on the

carrot rather than the stick. From January next year the price of shares under executive options may be set at a modest discount of up to 15 per cent of the shares' market value if, but only if, the company has an all-employee share scheme.

I also propose to increase substantially the limits on individual participation in approved all-employee share schemes and to allow companies tax relief on the costs they incur in setting up approved employee share schemes and statutory employee share ownership plans.

## TRAINING

### Tax help to improve skills

Another aspect of the supply side which needs improvement is training. A well trained labour force is an important element in any firm's success. Employers know that and are acting on it. The 1990 labour force survey shows an 85 per cent increase in the number of employees receiving job-related training since 1984. Despite the recession, the last CBI quarterly trends survey reported that over 75 per cent of employers expect to spend at least as much on training in the next 12 months as they had last year and 29 per cent expected to spend even more.

But more and more individuals are also choosing to take responsibility for their own training. Employers can get relief on the training they provide as a normal business expense. Yet at present the tax system generally gives no relief to an individual who decides to pay for training to improve his or her skills.

That cannot be right. If we want a better trained, more flexible workforce, we should encourage people who want to help themselves. I propose to do just that. I am introducing a tax relief for the fees paid by an individual for training towards most national vocational qualifications and their Scottish equivalents. From April 1992, basic rate tax will be deducted automatically from the fees for qualifying courses. So non-taxpayers will benefit as well as taxpayers.

Among those who stand to gain are women wishing to get back to work after having children.

Many MPs have pressed the case for two specific industries this year: shipping and film. While I sympathise with their aims, I have to say that there is a limit to the extent to which we can, or should, bend the tax regime to meet the special needs of any particular industry.

The Gulf hostilities have reminded us of the important contribution which our merchant navy can make to our defence. I recognise that there is a strategic case for measures to encourage shipping companies to draw their crews from seamen in the UK, who would be willing and able to serve in time of war. Towards this end, I propose a further relaxation of the rules giving tax relief to seafarers working mainly overseas. This will mean that more seafarers will be exempt from UK tax overseas earnings.

The film industry makes an important contribution to entertainment and culture in this country. The industry have put forward a number of proposals. But having studied these carefully I am afraid I cannot accept them. But I remain sympathetic, and if they have any alternative proposals they wish to put to me over the coming year I will happily consider them.

I know that the tax treatment of foreign exchange gains and losses causes difficulties for many businesses. This is one of the most complex and intractable areas of the tax code. Our 1989 consultative document elicited a valuable response but no consensus on the way forward. I am publishing today a further document setting out my specific proposals for reform which I trust will bring greater rationality to this important and complex area of the business tax system.

I have also to correct one defect in the law affecting building societies. In a recent judgement the House of Lords concluded that regulations covering the 1986 composite rate transitional provisions for building societies were technically invalid. If I were to take no action on this there would be a windfall gain to building societies (not their depositors) of £250 million distributed arbitrarily according to their accounting dates in 1985-6. I have therefore decided to include legislation in the finance bill to establish, as the government and Parliament intended, that interest and dividends paid by societies in these transitional periods may be taxed at 1985-6 rates.

## Business gifts encouraged

I turn now to trusts. In 1988, as Financial Secretary, I announced a review of their tax treatment. Today I am publishing a consultative document on possible changes to the income tax and CGT treatment of UK resident trusts. My proposals include an alternative structure of tax rates which would bring the treatment of trusts more into line with the treatment of individuals. They would also help to streamline the administration of trusts, saving work for trustees and their advisers.

We have also been reviewing the tax treatment of non-resident trusts. This raises an important issue of principle. In recent years the use of non-resident trusts as a means of avoiding CGT has increased. I do not think it is right for a relatively small number of wealthy people to shift very large assets into offshore trusts, simply in order to avoid UK tax. Such people have already benefited from the reductions in the higher rate of income tax. I therefore propose to introduce measures to counter this tax avoidance and prevent a revenue loss of up to £100 million in a full year.

I turn now to charities. While people's real incomes have risen by over one third since 1979, charitable giving has more than doubled: partly as a result of the measures taken by my predecessors to encourage more giving. Tax reliefs for charities are now worth at least £800 million a year. Today I have some modest improvements to announce to the tax regime for charities.

I have two measures that should boost giving by businesses. The first is a new relief from income and corporation tax to encourage business gifts of equipment to schools and to other educational establishments.

The second concerns the gift aid scheme introduced last year. This allows companies and individuals to get tax relief on cash donations to charities up to a limit of £5 million a year. Company groups have found that the division of this upper limit between them prevents them from donating as much as they would like. To overcome this problem I propose to abolish the limit altogether from today. In recent years there has been an increase in corporate donations to charities. I hope this measure will encourage companies to give even more.

I also propose to adjust some existing VAT reliefs for charities and ease the conditions for the relief from car tax for vehicles leased to disabled people.

## SPORT AND ARTS

### Foundation to help the arts

I now come to a proposal to benefit both sport and the arts. Last year the prime minister reduced pool betting duty on the condition that the benefit was passed to the Football Trust. Following the success of that measure, a proposal has been put to me by one of the pools promoters for a new foundation for sport and the arts. League football benefited from last year's Budget measure and racing benefits from the horse racing betting levy. This new foundation is intended to provide assistance to other sports and to the arts. It will be financed by contributions collected by the pools promoters along with the weekly pools betting stakes, and should raise some £40 million a year.

On the understanding that all the main pools companies agree to participate and that the full amount would be passed on to a new trust established on satisfactory terms, I would be willing to reduce pool betting duty a final time - from 40 per cent to 37½ per cent. These arrangements would be subject to a review in four years' time. They should make a further £20 million a year available - giving £60 million a year in total - to the foundation in order to support sports and the arts.

I now come to excise duties. First, I propose to raise the duties on alcoholic drinks to maintain their real value. That means the duties will rise from 6 o'clock tonight by 9.3 per cent - in line with the increase in the retail prices index in the year to December 1990. That will put about 2p on a pint of beer, 9p on a bottle of wine and around 56p on a bottle of spirits.

I will also be legislating to change the basis on which beer is taxed. The existing system of taxing the so-called "wort" was introduced by my predecessor - Mr Gladstone. It will now be replaced by one in



Making his point: the Budget was condemned by Neil Kinnock as "the biggest climbdown in modern history". Ministers, he said, had betrayed voters

which the end-product, the beer itself, is taxed. The new system will relate the duty more closely to the alcoholic strength of the beer - with a higher tax levied on strong lagers than on low alcohol beers.

I propose increasing all tobacco duties by 15 per cent: well above the rate of inflation. This will add about 16p to the price of a packet of 20 king size cigarettes, and, I regret to say, around 6p to a packet of small cigars. There are strong health arguments for a big duty increase on tobacco. In recent years the duty has fallen in real terms and cigarette consumption, having declined in the early Eighties, has since begun to turn up again. Raising the duty will help to counter this unwelcome trend.

The motor car imposes large costs on others in the form of pollution and congestion. I have decided therefore to increase the duties on petrol and Derv by 15 per cent, giving the private motorist a strong incentive to choose more fuel efficient vehicles, and ensuring that those who pollute most, pay most. This is fully in line with the policy set out last year in the government's white paper on the environment.

A litre of leaded petrol will rise by nearly 4p, a litre of unleaded by about 3p and a litre of diesel by just over 3p. The tax differential between leaded and unleaded will increase, giving a further boost to the take-up of unleaded.

I propose to freeze vehicle excise duty for private cars and light vehicles at £100, for the sixth year running, and also to freeze vehicle excise duty for all heavy goods vehicles.

Many motorists do not own their own cars but drive those provided by their employers. The scales for taxing the private use of company cars have been substantially increased in recent Budgets but many employers continue to pay their employees in cars, rather than in money. I propose to increase the car scales again this year by 20 per cent. This increase will yield £190 million in 1991-92 and £250 million in 1992-93.

If people are paid in kind there is no reason why they should be taxed more lightly than people paid in cash. Yet our present system also gives employers an incentive to provide employees with cars rather than cash. Under our present arrangements they avoid making any contribution to the national insurance fund on the benefit the employee gets from private use of a car.

## COMPANIES

### Employers to pay NI levy

I propose that company cars and fuel should now become liable for national insurance contributions, assessed according to the scale charges used for taxation. The Secretary of State for Social Security (Tony Newton) will introduce a bill to that end. Employers will pay at the main rate, but there will be no charge for employees.

Employers' national insurance contributions on cars and fuel will yield an extra £610 million a year of contributions. This will reduce an anomaly in the NICs system, making it more neutral between different kinds of payment, and will widen the NICs base.

These new arrangements will take effect from April. But contributions will be collected annually in arrears so employers will not be asked to pay their first contributions until

June 1992. They are already familiar with the scale charges used for tax.

So they should be able to make the necessary calculations with the minimum of extra work.

I turn now to one of the greatest scourges of modern life: the mobile telephone. I propose to bring the benefit of car phones into income tax and simplify the tax treatment of mobile phones by introducing a standard charge on the private use of such phones by an employer. Tax will be paid on £200 for each phone for 1991-92.

I hope that as a result of this measure, restaurants will be quicker and roads will be safer. I have already drawn attention to the imbalance between savings and investment and its effects in the late Eighties. As companies found more and more opportunities to invest, we needed more savings. But instead the saving ratio fell.

In successive Budgets, my predecessors introduced new tax incentives to save. Many forms of saving now enjoy a highly privileged position in the tax system.

Last year in particular the prime minister announced a new scheme, the tax exempt special savings account. Tessa has proved a spectacular success since it arrived on the savings scene nearly three months ago and has encouraged the savings habit among ordinary taxpayers. Already more than 1.5 million people have opened accounts.

The prime minister also announced in his Budget last year the abolition of composite rate tax. From April 6 non-taxpayers will no longer have to pay tax on their accounts with banks and building societies.

These are far reaching reforms and need time to settle down and take effect. So this is not the year to disturb the regime we have just put in place, or risk causing confusion with further schemes. My main concern has been to consolidate the system we already have, although I do have some modest changes to announce.

I propose to raise the capital gains annual exempt amount to £5,500 and the inheritance tax threshold to £140,000 this year in line with inflation.

National savings continue to play an important role particularly for small savers. This summer I propose to introduce a new national savings children's bond for children under 16.

There will also be a new issue of fixed interest savings certificates with a maximum investment of £5,000 compared with £1,000 on the last issue. Other changes to national savings products will be set out in a press release issued today.

I am also removing the restrictions on friendly societies writing tax exempt life insurance policies for children and increasing the limit on premiums for their tax exempt policies generally from £150 to £200 a year.

Personal equity plans remain an important means of promoting direct share ownership. Since their introduction in 1987, about 1.2 million PEPs have been taken out and over £3 billion has been invested. I have some further changes to announce.

First, I intend to allow investment in EC, as well as UK shares both for individuals and for unit and investment trusts.

Second, to promote the development of single company PEPs I propose to allow investors to put up to £3,000 a year in a single company PEP as well as up to £6,000 a year (as now) in a general plan. This will allow total investments of £9,000 a year. While single company PEPs

are available to any investor, I believe they provide a natural home for shares acquired under employee share schemes. I therefore propose to allow shares acquired under approved all-employee share schemes to be transferred directly into the company's PEP, with no charge to capital gains tax.

Employee share schemes and PEPs have encouraged individuals to become shareholders. But many people have bought their first shares in big offers, mainly privatisations. The first of these to catch the public's imagination was British Telecom. The government currently still owns some 48 per cent of the shares and I can announce today that I intend to sell part of this holding in the coming year.

## Genuine retail market sought

Privatisations have been a great success. The next step is to encourage people to invest in shares more generally. One problem is that to the small investor the stock market can seem remote, intimidating and somewhat expensive. The development of a genuine retail market for shares in high streets up and down the country would be highly desirable.

To give this the boost it deserves, the government is considering a change in the way in which it markets privatisations. For future large flotations I am today inviting proposals from the private sector for arrangements to distribute shares directly to the public through high street retail networks.

I hope there will be proposals both from financial institutions - banks or building societies - and from companies outside financial services.

If satisfactory proposals can be developed in time, I will consider using such a high street network in the sale of British Telecom shares.

Such a high street network could be used for primary issues, not only by the government but by private sector companies and, in the longer term, it could provide a cheap and accessible way for individuals to buy and sell in the secondary market.

The measures I have just announced will encourage people to save. But there is another side to the story. For the fall in the saving ratio at the end of the Eighties was a result not of a fall in gross savings, so much as an increase in borrowing, particularly mortgage borrowing.

In part that reflected the remarkable increase in home ownership over the last decade. That has been, and remains, a key objective of policy for this government. A less desirable development, however, was the dramatic boom in house prices during the late Eighties which fuelled borrowing and helped boost inflation. Many first-time buyers found prices rising much faster than their incomes. We need to do all we can to ensure that when recovery comes it is not accompanied by another bout of house price inflation, with the unwelcome consequences that would have for inflation and interest rates.

I propose to leave the ceiling for mortgage interest relief unchanged at £30,000. But from 6 April 1991, I propose that relief should be allowed only at the basic rate. This will yield £220 million in 1991-2 on the basis of current interest rates, and £420 million in 1992-3.

The measures I have announced today maintain a responsible fiscal policy while giving help to industry and families. They also include some important reforms to the

## Reducing tax relief

I recognise that some people have arranged their affairs on the assumption that higher rate relief will continue. Therefore to reduce the amount of extra tax they have to pay I propose to increase the starting point for higher rate tax from £20,700 to £23,700 - £1,000 more than required to match inflation. This will keep the number of higher-rate payers broadly stable and will mean that a married man with a £30,000 mortgage will not become liable to higher rates tax until his earnings rise to nearly £33,000.

My objective is to reduce the tax subsidy to borrowing without significantly increasing the average tax burden on higher rate taxpayers. Taking these changes with the changes to the personal allowances that I am about to announce, the typical increase in liability for a higher rate taxpayer with a £30,000 mortgage will be only around £1 a week.

Of course, the main determinant of the cost of a mortgage is not tax relief, but interest rates. For a higher rate taxpayer with a £30,000 mortgage the fall in the typical mortgage rate that has already taken place since last autumn fully offsets the change I am making to mortgage interest relief.

I now come to income tax. Income tax is never welcome but paying tax unexpectedly is even less so. That is the position facing employees who were working in Kuwait and Iraq at the time the Gulf crisis began. They may now become liable to pay UK tax on their foreign earnings which they had expected to be exempt. I propose that employees who had intended to work in Kuwait or Iraq for a year or more but were forced to return home earlier by the crisis should not be taxed on their foreign earnings.

I have no changes to make to either the basic rate or the higher rate of income tax. Our objective remains to move towards a basic rate of 20p. But I cannot make further progress towards it this year. Our priority has to be to reduce taxes on businesses.

I propose this year to update the personal allowance in line with inflation. It will rise by £290 to £3,295. The personal allowance for the over-65s will increase by £350 to £4,020 and for those aged 75 and over by £360 to £4,180. The married couple's allowances for the elderly will also be increased in line with inflation from £2,145 and £2,185 to £2,335 and £2,395. The income limit for the allowances for the elderly will increase by £1,200 to £13,500.

However, I am not proposing to increase the married couple's allowance for couples under 65 or the allowances that are linked to it. They will stay at £1,720.

I know that there is a widespread view in the House and in the country that more should be done to help families with children. I propose to use the resources released by not increasing the MCA for that purpose.

There are some, I know, who advocate the reintroduction of child tax allowances. I have looked at that option carefully but I am clear - especially following the introduction of independent taxation - that it would not be an effective way of channelling resources to those who need them.

A better way of directing help straight into the pockets of mothers, whether they choose to work or not, is child benefit. It goes to all families; to the children of non-taxpayers as well as the children of taxpayers.

I therefore propose to increase child benefit from October 7 by £1 a week for the first eligible child in each family, and by 25p a week for other children. These rises come on top of the increase announced by the secretary of state for social security last autumn which will be paid from April 8.

This means that in October this year a benefit of £9.25 a week will be payable for the first child, and £7.50 for each subsequent child.

We will ensure that the increases benefit not only taxpayers but the very poorest families, those on income support and family credit. These increases will help 6.8 million families - and 12.3 million children.

I should add that the government has decided that the new levels of child benefit will be updated in line with inflation next April and in subsequent years.

The measures I have announced today maintain a responsible fiscal policy while giving help to industry and families. They also include some important reforms to the

tax system. However, my Budget would not be complete if it did not address one other issue which has attracted a certain amount of attention recently.

The Secretary of State for the Environment will be announcing very soon the conclusions of our review of local government. I do not propose to anticipate his statement, but there is one announcement I want to make today.

In January we announced a £1 billion package to reduce the community charge for more than half of all chargepayers.

Since then I have been considering whether the impact of local expenditure on the local taxpayer is too great for any system of local taxation to bear.

I have concluded that local taxes are being asked to bear too large a burden and that the level of the community charge is still too high. However, if local taxes are to fall and the standard of local services is to be maintained, then taxes elsewhere must rise.

I propose therefore to make a substantial switch from local to central taxation. This will amount to about £4.25 billion in the coming financial year and will reduce the net yield of local taxation to about £7 billion.

The large reduction in local taxation will take it to a level that the government believes should be sustainable in the longer term.

We will be introducing a bill in the next few days to authorise payments of extra grant to local authorities and ensure that community chargepayers will reap the full benefit in reduced charges in the coming year, that is, 1991-2. The money will not be available to increase local authority spending. Domestic rate bills in Northern Ireland will be reduced as well. The bill will also ensure that chargepayers do not have to start paying their charges until the new and lower charges have been introduced.

The switch requires a substantial increase in central taxation. I have decided that this should be achieved by raising indirect taxes, that is to say, taxes on spending.

I am proposing, therefore, from April 1 to increase the standard rate of value-added tax by 2.5 percentage points to 17.5 per cent.

VAT is a broadly based tax which falls on consumers rather than producers. Since much consumer spending is zero rated, it bears less heavily on poorer households than on the better off. So raising VAT is not only an efficient but also a fair way to raise the necessary finance. And, raising taxes on spending rather than taxes on income will be better for savings, and consistent with our strategy for tax reform first set down by Sir Geoffrey Howe in his 1979 Budget.

## PRICE INDEX

### will drop

Raising VAT will increase some prices but the reduction in the community charge will more than offset that effect so the switch will actually reduce the RPI. As a result of these changes the community charge recently announced in England, Wales and Scotland will be cut by £140. On average the headline charge will be reduced from about £390 to about £250 in both England and Scotland, and from £260 to £120 in Wales, while the amounts people actually have to pay, after allowing for relief and benefits, will fall to under £175 in Great Britain. The charge in Shetland will fall to under £1.

The measures I have announced are designed to meet the three main requirements of any Budget. First, they represent sound finance and contribute to a firm counter-inflationary policy. My predecessors transformed public finances in the Eighties; my proposals will keep us on track to balance the budget over the Nineties. Second, they respond to the economic needs of the moment. I have cut taxes on business both this year and next to help it weather the recession and take advantage of the upturn later in the year. Third, they continue the reform of the tax system to improve the working of the economy in the longer term.

In addition, in a year when resources are tight, I have been able to give additional help to families with children. Finally, I have made a decisive reduction in the burden of local taxation across the country and cut community charges in the coming year by £140.

This Budget is good for business, good for families, good for chargepayers and good for the country. I commend it to the House.

Mr Lamont spoke for one hour and 16 minutes.



IF ANYONE ASKS,  
TELL THEM YOU BOUGHT IT  
TO SAVE MONEY.



## The Peugeot Diesel Range.

If you've ever considered buying a diesel, you probably thought you had to sacrifice performance for fuel economy. But when you buy a Peugeot diesel that's not the case. Peugeot offer unrivalled levels of handling, performance and refinement. So as well as saving money with every mile you travel, driving will always be a pleasure.

Peugeot's advanced diesel technology has earned them the reputation for setting the standard when it comes to smoothness, quietness and responsiveness. Whether you're cruising on the motorway, or nipping around town, with a Peugeot diesel you'll have a lively yet comfortable drive.

### AND YOU'LL SAVE EVEN MORE WITH A £200 BONUS.

For a limited period, all new Peugeot 205 and 309 diesels are available with a £200 Introductory Bonus. To claim your bonus voucher, simply call the FREEFONE number.

Then, if you buy and register your new 205

or 309 diesel by March 29th 1991, your dealer will validate the voucher. Send it to Peugeot's Head Office and you'll receive a cheque for £200 direct from Peugeot. This bonus will not affect the deal you make with your local Peugeot dealer, so you are likely to save a lot more.

TO CLAIM TODAY, SIMPLY CALL

**0800 300 705**

AND QUOTE REFERENCE T12

In addition, Peugeot are offering a number of finance plans, including a 10% deposit scheme with the balance paid over 48 months (17.2% APR) or 0% APR\* on all diesels, excluding 605. The table below gives an example of how much easier it could be to own a new Peugeot diesel. Ask your dealer for further details.

	205 3dr Style D
ON THE ROAD PRICE	£8,220.00†
FLAT RATE APR	8.9% 17.2%
DEPOSIT (10%)	£822.00
48 MONTHLY PAYMENTS	£208.99
FINANCE CHARGES	£2,648.52††
TOTAL COST	£10,868.52

**PEUGEOT DIESELS**  
FUEL FOR THOUGHT



PEUGEOT. THE LION GOES FROM STRENGTH TO STRENGTH

\*APR prices correct at time of going to press and subject to availability. Mileage paid extra. Includes estimated on the road costs of: 6 months Road Tax, Number Plates and Estimated Cost of Delivery but excludes the £200 Introductory Bonus. †Includes £15 Acceptance Fee payable with first instalment. \*Peugeot Talbot Motor Co. Ltd. (Licensed Credit Brokers). For a written quotation contact Peugeot Talbot Credit, P.O. Box 300, Churchill Plaza, Churchhill Way, Basingstoke RG21 1GJ. Offer subject to status (over 18's only). A guarantor may be required. Offers restricted to UK (excluding Northern Ireland) and not applicable on 205 van.



## David Lipsey The bug stops here

In Samuel Butler's *Erewhon*, the central conceit concerns a Utopia in which to be a criminal is regarded as a misfortune, but to be ill is to commit a crime. Judging by recent press comment on John Major, the same applies in 10 Downing Street. The prime minister has as yet virtually escaped censure over the government's criminal bungling of the poll-tax review. But his sore throat is regarded as a sign of dangerous — even culpable — weakness.

His press officers felt it their duty to deny that he had a virus. Of course they had no way of knowing for sure whether he did or did not. Bugs penetrate the precincts of No 10 even more easily than IRA mortars, and because the house is overheated, they proliferate even faster than elsewhere. In a winter when at least half the nation has suffered something nasty, there is nothing surprising about the prime minister also succumbing.

What explains Whitehall's attempted whitewash? It can be put down to its belief that the public thinks the prime minister is indispensable. So vital is the work of state, that nothing less than 24 hours a day of devoted attention to its duties will pass muster. So onerous are the responsibilities that the briefest respite is thought hobbie to unleash Hobbesian anarchy. This version was not one that Major's predecessor thought fit to dispel.

It is quite wrong, nevertheless. In normal times, leaving war and emergencies aside, the duties of the prime minister are limited. Because the office has few formal functions, Her Majesty's government can carry on perfectly well without any assistance from No 10. The prime minister does not have to decide the precise terms of legislation, or carry out quasi-judicial functions, review cases or glad-hand every visiting dignitary who passes through town. For those purposes he has departmental ministers, Lord Chancellors, foreign secretaries.

He does have to preside over the cabinet, usually once a week, and twice a week he has to answer questions in the House of Commons. Preparation for these ritualistic occasions dominates the prime minister's life, as the memoirs of Harold Wilson and Jim Callaghan make clear. The formal appearances made Harold Macmillan physically sick. But they take such prominence partly because the prime minister simply does not have the diverting range of other duties that lesser ministers labour under.

This should not be misunderstood. The prime minister bears an enormous burden. In his office, the bug stops. The really big decisions belong to No 10. A one-off emergency, when it breaks, must be dealt with there, and all other priorities must be put aside.

Moreover, prime ministers are invariably people of exceptional energy. Otherwise they would not seek, and certainly would not gain, that high office. Some — Callaghan, Macmillan, Stanley Baldwin — cultivated a relaxed image. Others — Gladstone, Wilson,



Macmillan: the formalities made him feel physically ill

what state he was in when he did so. Success was measured less by the thrust of foreign policy than by the number of ambassadorial hands shaken, the number of countries visited and the number of functions to which invitations were accepted.

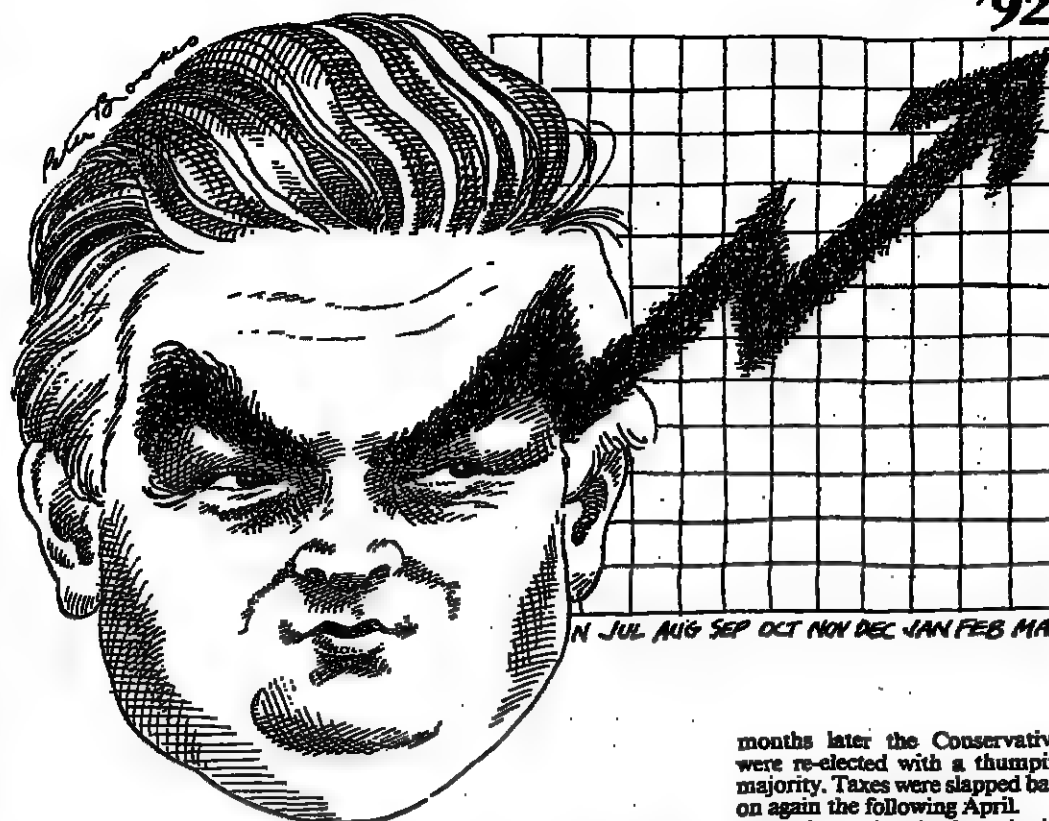
When Mr Major showed signs of backsliding, steps were taken to remind him of his duty. At least one senior Tory backbencher was rung by one of Mr Major's officials. Did he know that the foreign secretary was refusing to turn up at diplomatic receptions in London? Would he please persuade him to get his priorities right? The backbencher honourably refused, but the message was doubtless conveyed through more amenable channels.

The other story concerns Jim Callaghan, a man who understood the language of priorities, and had a private office which translated it into practice. A British ambassador strode into the private office demanding an appointment with the foreign secretary. The diary secretary, a lowly official, neither hesitated nor consulted: "The answer is no. Go and see your head of department."

If John Major is to fulfil his potential as prime minister, he too needs an office that understands his limits as well as his strengths. His officials must help him to help himself, ensuring that those who make unnecessary demands on his less-than-superhuman stamina are shown the door.

# An election postponed

Norman Lamont's Budget is aimed more at the foreign-exchange markets than the marginal voter. He may have been too cautious, writes Ivor Crewe



Yesterday's Budget was electrically charged to the government. The Conservative party has been steadily sailing into an electoral storm. The poll tax and recession have replaced the Gulf war on the front pages, unemployment is spiralling up in the Tory marginals, and voters' pessimism about the economic future is at historically high levels. Visible squabbling on the Conservative backbenches — a sure vote-killer — is on the increase. John Major's personal popularity is a waning electoral asset, and the surge in support for the Liberal Democrats since Ribbles Valley has nibbled the Conservative lead in the polls to naught.

The Chancellor had the choice of a generous Budget for a June polling day, before the dole queues lengthen into the autumn, or a cautious Budget for an election in October or next year. Though Tory backbenchers agreed last night that June was still an option, the cabinet appears to be in no rush. And indeed there were none of the signs of a June election, such as income tax cuts or a raised level of mortgage tax relief. Indeed many of the measures will be mildly unpopular, especially the above-inflation increases in petrol duty (for motorists vastly outnumber environmentalists), and the refusal to raise the level of mortgage tax relief.

The only proposal with immediate electoral dividends is the vast reduction in the community charge, to be implemented for this April. But against this gain must be set the even more rapid raising of VAT to 17.5 per cent.

The most significant electoral hint was the unexpectedly upbeat forecast that inflation would fall to 4 per cent by the end of the year, and even lower in 1992. If this is correct, interest rates could be eased down to 10 per cent by the year-end (so that annually-fixed mortgage rates, most of which are determined in January, adjusted downwards). Economic models of elections say that 4 per cent inflation and 10 per cent interest rates should deliver a 43-45 per cent vote for the government, which almost guarantees re-election.

Mr Lamont is wise to play it long. The government's level-pegging position in the polls, although not itself a cause for undue pessimism, is accompanied by much less favourable signs in the small print. In March 1983, optimists about the general economic outlook outnumbered pessimists

by 6 per cent, while those optimistic about their personal prospects outnumbered pessimists by 2 per cent. In March 1987, in both classes, optimists outnumbered pessimists by 10 per cent. Now, however, pessimists outnumber optimists by 31 per cent on the economy in general and by 11 per cent on personal prospects — and this shows no sign of abating.

To convince voters of an economic upturn, the government needs a sustained decline in inflation and interest rates. If unemployment were at least to level out, so much the better, but since there are many fewer unemployed people than mortgages or consumers, inflation and interest rates are given priority. It is on these terms, rather than its immediate impact on people's pockets that the Budget needs to be assessed. By presenting a

fiscally cautious Budget for the foreign exchanges, rather than give-aways to the urban marginals, the Chancellor has sought to maintain confidence in sterling and so create the conditions for further interest rate cuts.

But has he been too cautious? Past Conservative governments got themselves re-elected after brazenly generous Budgets. The cut-and-run Budget was invented by Rab Butler. On April 19, 1955, he cut income tax by sixpence (2½p). An election was called a fortnight later, and on May 26 the Tories romped home under Anthony Eden. By October, Butler was forced to raise purchase tax by a fifth in a supplementary Budget.

In April 1959 the trick worked again. The new Chancellor, Heathcoat-Amory, cut taxes by the equivalent of £1.5 billion, including a shilling a pint off beer. Six

months later the Conservatives were re-elected with a thumping majority. Taxes were slapped back on again the following April.

But the crude "election-winning Budget" is a myth. Voters are not so easily bribed. The Tories would have won the 1955 and 1959 elections anyway. In the post-Budget Gallup polls, the Tory lead remained the same in 1955, and rose by a mere half a point in 1959. Tax increases might have cost the government votes, but a neutral Budget almost certainly would not have done.

More recent "give-away" Budgets tell the same story. Sir Geoffrey Howe's March 1983 Budget raised tax allowances by 15 per cent. Gallup asked people whether the Budget made them more or less inclined to vote Conservative: only 9 per cent said "more", while 32 per cent said "less". There was no upswing in economic optimism, and the Conservative lead was temporarily halved, from 11 to 5½ per cent. Nigel Lawson's characteris-

tically more robust 1987 pre-election Budget cut 2p off income tax. Once again the electorate seemed less than grateful. Only half as many said they were more inclined to vote Conservative (15 per cent) as were less inclined (31 per cent). Personal economic optimism barely shifted, although the Tory lead in the polls, which had been widening since January, continued to rise. The Budget did no harm, of course, but its electoral impact was to sustain a trend that was moving strongly towards the Conservatives anyway.

Self-interest, not altruism, protects the British voter from electioneering Budgets. Post-Budget polls reveal the public to be straightforwardly in favour of tax cuts, of any variety, and against tax increases, however strongly justified by indication of longer-term interests. But even generous Budgets take away as well as give, and voters feel losses more keenly than gains. Most low income households drink or smoke: what they will gain from raised income tax thresholds they will lose, in part, on beer and cigarettes.

Fiscal measures, moreover, play only a limited role in voters' standards of living. Interest rates loom much larger. The household with a £50,000 mortgage and a combined income of £25,000 typically saves £42 a month from a 1-point cut in mortgage rates, £16 a month for a 1p cut in income tax.

The political context matters too. The 1983 Budget was presented in the middle of an economic recovery and shortly after Mrs Thatcher's much publicised visit to the Falklands. The 1987 Budget was delivered when the credit-led boom was in full swing, and was followed a month later by Mrs Thatcher's spectacularly successful trip to the Soviet Union. Both Budgets were part of a long, well-orchestrated election campaign launched the previous autumn. This time there has been no long campaign, only hurried and wearying trips to Kuwait and Bermuda, against a backdrop of poll tax troubles and recession.

So was it an electioneering Budget? Yes, but it recognised that the road to electoral success lies through Frankfurt and Paris, not the inland Revenue office, and winds on until the autumn or, more probably, into next year.

The author is professor of government at Essex University.

## Let's preserve that British dottiness

The Ealing comedies should be stored at home, says Joe Joseph

Take a quick poll in your office, factory or school bar and the chances are that more people would be more upset never to see an Ealing comedy again than they are by the probable loss of the Badminton cabinet.

Once again, the whimsies (Ealing, not Badminton) are up for sale, being hawked by Weintraub, an American film distributor, which bought them along with the rest of the former Thorn EMI film library for £50 million in 1987. Fans of *Kind Hearts and Coronets* and *Passport to Pimlico* are hoping that the BBC will take out its chequebook and give the archive a secure British home, a deal which could give the Ealing films a new life by issuing them as videos.

Are the Ealing comedies worth fretting about? Some people scoff that they are hopelessly dated; but so are Charlie Chaplin and

Groucho Marx, and they are all still extremely popular. Sceptics should also consider that the recent hit film *A Fish Called Wanda* was directed by Charles Crichton at the age of 78. Mr Crichton directed his first Ealing film, *Hue and Cry*, in 1946 and went on to make such classics as *The Lavender Hill Mob* and *The Battle of the Sexes*. He delights in telling the story of how, when *A Fish Called Wanda* opened in Hollywood, one of the film's producers received a call from the head of a studio. "We've got a comedy we need a director for," said the studio chief explained. "Do you think your young guy, Crichton or whatever his name is, would be interested?" By then, Crichton, who had been paying the rent for years by filming *The*

*Avengers* and *Danger Man* (some of which are also filed in the Weintraub library), was too rich from *Wanda* to take on the role of cinematic young Turk again.

When Ealing comedies appear on the television schedules, people sigh "Oh, not again" and then sit glued to the chair for 90 minutes. The knack was to create a typically British world.

One critic summed up the pattern: "An individual, or a group of individuals, tries to upset a settled, cosy world by doing something just that bit dangerous or eccentric. There is a revolt against the established order, followed by the brief, heady taste of freedom, but even as it is going on they know that it cannot last. There is peaceful surrender and a cosy corner of Britain closes its

ranks once more." Here, too, is the plot of *Passport to Pimlico*, a fantasy about the supposed secession of Pimlico from Britain, after a charter found on a Pimlico bomb site reveals that this quarter of London actually belongs to Burgundy. It is also the main-spring of *The Lavender Hill Mob*, in which the characters played by Alec Guinness and Stanley Holloway, plagued by English ways and values, plot the perfect robbery.

T. E. B. Clarke, who wrote many of the Ealing classics, suggested to invent a world in which the British saw themselves horribly clearly. The reason we find ourselves so often describing an everyday scene as like something out of an Ealing comedy, is that the team captured the essence of

British behaviour, its idiosyncrasies and plain idiocies.

David Putnam, the director, has no doubts about Ealing's place in celluloid history. "Ask any American of my generation and he will define the British cinema as Ealing, in the same way that many Britons see the MGM musical as the essence of Hollywood. The films were a powerful piece of cinema iconography that set out to reflect Britain, and British values, in a very self-conscious way."

The sale and resale in recent years of the Ealing film library may have raised few passions, because people have assumed that the films will always be available, whoever holds the title deeds. But many of them were made on 35mm nitrate film that is disintegrating, although the National Film Archive has slowly been making preservation copies. They deserve a safe home.

...and moreover

## CRAIG BROWN

Yesterday, I was honoured with a secret preview of all the various diaries, memoirs, and autobiographies that have been penned by members of Mrs Thatcher's cabinet, many of whom, it will be remembered, retired early from government in order to spend rather more time with their publishers. Lords Whitelaw and Young have already produced their memoirs, and before the year is out Fowler and Lawson should be on the shelves, with Howe, Parkinson, Wakham, Ridley, and Mrs Thatcher herself bringing up the rear.

Oddly enough, the main revelation to emerge from all the manuscripts is that not a single one of the authors was to blame for the poll tax. In fact, quite the opposite: each of them makes it crystal clear that in the privacy of the cabinet office, he was its staunchest critic.

Look, for instance, at this extract from the memoirs of the Rt Hon Northwood Hill, secretary of state for home improvement 1987-90: "My critics have constantly claimed, wholly without foundation, that I was in some way an enthusiast for the poll tax. Some of them have, regrettably, allowed their hard-left political bias to get the better of them, and have seen fit to refer to a speech I made to the 1987 Tory party conference in Blackpool, in which I referred to the new tax as 'a shining beacon, fair and democratic, soon to be greeted by the British public with a warmth more usually reserved for a favourite uncle'.

"Such selective quotation, completely out of context, does, I am sorry to say, more damage to my critics than to myself. I am not at all bothered to read between the lines that would have seen that, to put it bluntly, (and many would argue that I am far too blunt on such occasions) I was issuing a rallying cry, within the limits of collective responsibility, to all those who, like me, wished to see the poll tax abolished. I am only grateful that fellow opponents of the tax were so moved by my appeal that it has now been removed from the statute books."

The diaries of the Rt Hon Newbury Park, secretary of state for personal hygiene 1983-88, reveal that he, too, was among the most bitter opponents of the poll tax: "March 11, 1988: A stormy morning in cabinet. Margaret asked whether any of us disagreed with the community charge. I chipped in immediately with a resolute 'no', vigorously shaking my head from side to side. 'I can always rely on Newbury', purred Margaret. I can now claim in all honesty that I was the very first to say 'no' to the question of poll tax. Frankly, I think my constituents will respect me for it."

Similarly, senior Tory backbencher Sir Tootenham Hale, chairman of the influential All-Party Cheese Dip and Fondue (Crusts) Committee, leaves readers of his autobiography *Courage, Vision and Personal Magnetism: The Life of Sir Tootenham Hale MP* in little doubt that he had no hand whatsoever in the community charge.

"Some of my constituents claim they have heard me say that I was an early supporter of the poll tax. Far from it. They must have misheard. I am a great believer in a pool tax (a surcharge on all houses without swimming pools), a mole tax (heavy fines for disincrusting for potential spies) and pearl tax (intended to keep Mrs Thatcher at bay) and even a polly tax (to minimise the number of parrots in captivity), but poll tax? Never!"

The cabinet memoirs of Sir Stamford Brook, secretary of state for luncheon arrangements 1988-89, suggest that a number of his fellow cabinet members had fears as early as the spring of 1988: "Norman rang to ask me to have lunch with Geoffrey, who was already lunching with Cecil, who was joining John for lunch with Peter, who had, unknown to us all, already accepted lunch with Norman. In the end, we decided to rationalise things by each lunching alone at separate restaurants and keeping in touch on our mobile phones."

"It emerged that we were all a little worried by the possible effect of the poll tax. We decided to voice our fears to the prime minister. Norman wondered if she might not be cross, but we all agreed that we must make a stand for the good of the nation. We left lunch vowing there and then to have it out with her at the earliest opportunity, possibly during autumn '91, or perhaps a little later. Sometimes, one simply must be seen to make a stand."

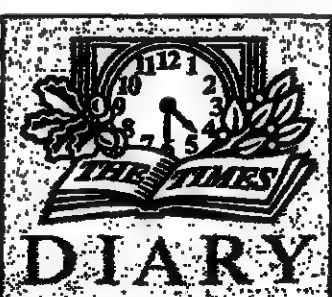
## Spring leaks

History suggests that the first mole hunt of John Major's term in office — to find the whisperer who leaked details of Michael Heseltine's poll-tax reforms — will end in failure. It is 153 years since the House of Commons committee of privileges was given the power to discipline anyone leaking select committee reports. Yet the steady drip drip of confidential information continues.

Last July Mrs Thatcher instructed the Cabinet Office to question civil servants about the leaking of Sir Charles Powell's report on the Chequers seminar on German unification. Eight months later, not a word has been heard about its findings. In



January 1989, the premature disclosure of the draft of Kenneth Clarke's white paper on NHS reform to Robin Cook, of the Labour party, embarrassed the government. An enquiry was set up, but the mole was never found. One of the most notorious leaks of Mrs Thatcher's tenure was of a letter from Sir Patrick Mayhew, the police general, to her during the Westland affair. It contributed to the resignations of Sir Leon



Brittan and Michael Heseltine, but the ultimate culprit was not identified, despite investigations by the cabinet secretary of the time, now Lord Armstrong. "Often there is an indication of where the leak is, but nothing certain," he says.

Sir Bernard Ingham, who during the Thatcher era was considered by many MPs to be the doyen of leakers, offers Major little consolation. "It's interesting to discover that leaks are still continuing since I left Downing Street," he says. "I used to be the one who always got the blame. Who can they blame now?"

## Picture this

An unpublished letter from Evelyn Waugh just sold by Phillips reveals the novelist's wish to be an art expert. In July 1925, Waugh, then a fresh-faced 21, wrote to the director of the National Gallery in the hope of a job. "I am looking for work in London connected with art and Professor A. M. Hind has advised me to write to you in case there was by any chance room for me as a lecturer at the National Gallery."

A résumé of the young man's career to date follows, noting his third-class history degree from Oxford, his interest in painting (with a capital "P") and his practical knowledge of the subject gained at Heatherley's School, the

inspiration for *Decline and Fall*. Experts doubt whether Waugh would have had any more success as a lecturer than in his fruitless attempts to be a draftsman, a printer, Charles Scott-Moncrieff's secretary, a parson, a carpenter, a journalist, or an employee in a toothbrush factory.

"It's unlikely he would have been a suitable lecturer," says Martin Stannard, of Manchester university, author of *Evelyn Waugh: The Early Years*. "He wouldn't have borne the drudgery of the job, though he was very knowledgeable about painting." The letter was sold for £480, by an unidentified vendor to an equally mysterious buyer.

## Notable gift

The 75th birthday tributes to be showered on Sir Yehudi Menuhin next month include a specially-scored gift from Rodion Shchedrin, the present-day Russian composer. The two musical maestros, firm friends and ideological soul-mates, will attend a concert at the Royal Festival Hall at which Menuhin plans to conduct the Royal Philharmonic Orchestra premiere of Shchedrin's *Prayer*.

The work was inspired by a prayer Menuhin wrote when he received an honorary doctorate from Louvain university two years ago. "I would describe it as a universal prayer," he says. "It's not confined to a particular religion or creed, but was meant to express the spiritual essence of all the great religions and their relevance to the present day."

Shchedrin's piece is scored for mixed choir and orchestra. "It moves along as a flowing narrative," says Shchedrin, who is best known for his orchestral suite, *The Little Hump-Backed Horse*. The premiere will be the highlight of a concert at which Menuhin will also perform two of Beethoven's

Romances. The finale will be a rendition of Beethoven's Ninth, conducted by Menuhin. "I can think of no work more suited or more appropriate to a man's coming of age," says Menuhin, for whom three score years and fifteen clearly have no sting.

## Act of friendship

No body will be more pleased than Václav Havel that one of his plays is to be seen on the Irish stage for the first time. The Czech playwright-president has long admired the Irish theatre, and cites Samuel Beckett as a key influence on his work. "Havel's humour is like Beckett's," says Maeve Stafford, who is directing *The Increased Difficulty of Concentration* in Galway later this month. "It's dry and sardonic, the sort that grows out of desperation."

Such was their mutual admiration that when Beckett dedicated his play *Catastrophe* to Havel, the president returned the compliment and dedicated his work, *The Mistake*, to Beckett. Stafford hopes Havel will attend the Druid Theatre Company production, and has dispatched an invitation to Prague. The president could slip into the stalls during his state visit to Ireland in May.

● *Virgin Atlantic and British Airways are squabbling over BA's slogan "The world's favourite airline". Virgin was the only British airline in the top notch in a recent passenger survey and Richard Branson, the carrier's boss, is now planning his own advertising campaign hijacking the slogan. BA claims its line refers to volume of passengers. "We carry more international passengers than any other world airline," says a spokesman. Virgin is unimpressed. "By that logic, the M25 is the world's favourite motorway."*

Budget Diary, page 11.





## RECESSION UNRELIEVED

Even the Chancellor's autumn statement in December gave a clearer idea of the state of public finances than yesterday's Budget. Entry into the European exchange-rate mechanism appears to have "capped" the cabinet's interest-rate policy. The previews of Budget judgments by spin doctors, to enable the markets to pre-absorb any shocks, have led to every option being discounted. And to crown everything, this year the prime minister announced that the second half of Budget day will be tomorrow, when the full implications of the switch out of poll tax are to be revealed.

That does not make the Budget any less worthwhile as a moment of annual stock-taking. Britain is deep in a recession that now affects manufacturing and services, north and south, and is to yield a fall in domestic product of 2 per cent this year. Policy helped produce this damage, both in encouraging inflation and then encouraging recession. When businesses hit a wall of pain last summer — attributed by Norman Lamont yesterday to the Gulf — policy seemed paralysed. Blighted by Tory leadership turmoil, the measures needed for recovery have been delayed six months. What does the Budget do to encourage that recovery?

Mr Lamont appears to feel that recovery will take place largely unaided by him. Precisely why it should do so is less clear. As the Chancellor admitted, identifying economic turning points is a hazardous business. Taxed on the point, a certain vagueness comes over the Treasury. The watchword is confidence; confidence now the war is over, confidence as inflation comes down and real incomes therefore grow, confidence in lower interest rates, confidence that the poll tax will no longer terrify consumers.

But confidence is a tender plant, especially when the Chancellor has chosen to pour so little water onto its roots. Since the precise implications of the switch of the huge sum of £4.25 billion from poll tax to VAT are uncertain, the spotlight must fall on interest rates. Last autumn the Treasury threw sterling into the ring with the Deutschmark: bull and now feels it can do little to stop it being tossed hither and thither. The Times believed interest rates should have been cut in early winter and continues to believe they should be cut, even at risk to sterling's international value.

Mr Lamont declared yesterday he had no choice but to honour the commitment to ERM and so had no room for manoeuvre. His predecessor, Sir Geoffrey Howe, cut rates by 2 per cent in his recession Budget of 1981: such is the loss of sovereignty resulting from the move towards European monetary union. Mr Lamont can only plead with the exchange markets to believe that British commerce can survive alongside the Deutschmark. Recovery is now a profession of faith, nailed to a German banker's door. He may yet be able to cut interest rates, if the markets believe his inflation predictions. But he did not do so yesterday, and without such a cut, his Budget is like Hamlet without a prince.

The recession has sent the public sector into a predicted deficit of £8 billion. In his fearful financial orthodoxy, Mr Lamont has refused to add to that, insisting on fiscal neutrality. The bulk of the Budget's energy has been expended on relieving the poll tax. After absorbing some £10 billion of relief over the past two years, this tax must now rank among the true monstrosities of post-war politics. It is Margaret Thatcher's curse, left to blight those who overthrew her. A quarter of those liable have yet to pay. This year, even before the Budget, half were due to have their payments reduced. Central government will meet as much of local expenditure as it did in 1979, not because it needs to but because the politics of flat-rate

taxation demands that it should. The specific method of meeting the political imperative is by a flat-rate subsidy to every poll-tax payer, a system as crude as the original flat-rate impost itself.

The shift from personal taxes to expenditure taxes is not, in itself, a bad thing. VAT is a "voluntary" tax, though whether the switch is regressive or not will depend on the form of property tax announced later in the week. The risk is that Mr Lamont's bribe — the nearest thing any British government has come to handing out fivers on the street corner — will increase underlying inflation. Only because of the statistical aberration that includes poll tax in the retail prices index is the Chancellor able to pretend that he is not risking higher prices by the switch. Higher VAT will depress consumer spending just when it needs boosting. The downwards pressure on high-spending local councils will be relaxed. Such is the curse. But provided the handout to local councils does not mean some policy quid pro quo tomorrow, such as switching education to central control, it need not be wrong in the long term. The switch should enable a smooth transition back to a properly based local tax.

The rest of his Budget is mostly autopilot stuff. Mr Lamont must spend his time watching exchange rates and market confidence, bound by the same spell that gripped Selwyn Lloyd, Roy Jenkins and James Callaghan. But one good can come from ERM entry. Chancellors should at least be compelled to direct their attention to one task still within their grasp, increasing the competitiveness of British commerce. If they will not allow exchange rates to do this, then they must use such power as remains to them to work directly on costs. Herein lies a sound cause for Mr Lamont and his colleagues.

The Treasury has long held to a consistent tax philosophy, that of a level playing field as between different elements of private income and expenditure. It has fought ceaselessly against reliefs and allowances, be they for mortgage interest, company cars, charitable giving, business expansion, health care or trees. It has rightly held that most reliefs are distortions, and being ordained by politicians are therefore distortions in the wrong direction. Virtue is clearly on the way to being rewarded as Mr Lamont, albeit somewhat timidly, put further pressure on the company car perk, the mobile phone perk and mortgage interest subsidies. He rightly said that the next economic upturn must not feed savings through into housing. Complete abolition of mortgage interest tax relief would have carried more conviction.

Yet because some reliefs are bad, that does not mean they all are. Taxation policy round the world is a tool of constructive economic policy. Mr Lamont's optimistically entitled "Budget for business", despite no interest rate cuts, recognised this. While the changes in company taxation were hardly spectacular, the help to small firms is welcome. Indeed, Mr Lamont showed a sincere awareness of the hardship experienced by the small employer at the hands of his department over the years. By taking more small firms out of the ambit of VAT, corporation tax and capital gains tax, he will have done something to recover his ground among those hit hardest by the recession. Small savers were given further encouragement, though again not spectacularly. But from all this — even his brave gesture in defence of child benefit — little will be remembered apart from the VAT/poll-tax switch. And for more of this the nation must await the second half of the Budget speech, from Michael Heseltine tomorrow afternoon. By the end of that, the political and electoral map of Britain could indeed look different.

## A DIET OF LEAKS

Michael Heseltine is more the victim of leaks than the perpetrator. Bryan Gould, his Labour opposite number, should have remembered this before he criticised him yesterday. Mr Heseltine ought to be sacked. Mr Gould said, for leaking details of the latest alternative to the poll tax. On the contrary, Mr Heseltine may deserve the Order of St Bernard, named after one who was a master of the hands-off leak, for services to open government.

Monday's leak was dripping away into receptive journalistic buckets while its putative source was in an aircraft, a crafty piece of political conjuring. But why should such subterfuge be necessary to keep the government in touch with the governed? The review of local government taxation now nearing its end has turned — if the leaks are to be believed — into a radical reform of local government root and branch, affecting every citizen and many of the most important functions of the community. There was stuff here for half an election manifesto. If the people have not been consulted, at least they have been leaked to, a poor second but better than nothing.

Mr Heseltine himself was the victim of the greatest leak of the last decade, when the Press Association was fed details by the Department of Trade and Industry of a confidential legal opinion on the Westland affair written by Sir Patrick Mayhew, the Solicitor-General. Much fuss there was, but little enough of it on behalf of the public, which learned only by accident something it had a perfect right to know.

Sources are now saying — leaking, to be exact — that Mr Heseltine's current review of the poll tax has been dogged by unhelpful leaks from political colleagues (for which read enemies). As a sheepdog nudges its flock forward by a combination of running, standing still and yelping, it is said that Mr

Heseltine has been ushered towards the hole in the fence others wanted him to go through by roping off his alternative escape routes with desirous leaks. But the trouble with leaks, even leaks about leaks like this one, is that nobody can be sure they are true.

Those leaks that happen "by mistake" often have to be built into a story by further detective work. The most notorious and indeed most innocent of these was Hugh Dalton's famous Budget leak in 1947, which cost him his job. Deliberate leaks, on the other hand, always come with malice aforethought. There is the leak itself, deemed helpful; there is always more information that is not leaked, deemed unhelpful; and there is the reason for the leak, some political advantage the leaker seeks to gain. The classic of this age was Sir Leon Brittan's part in the Westland leak, which cost him his job and nearly cost Mrs Thatcher hers.

Then there is the leaked lie, a two-edged weapon which can be as dangerous to the wielder as it is to the victim. Its practitioners combine Mr Speaker Weatherill's description of parliamentary politics — the continuation of civil war by other means — with Winston Churchill's remark that truth in war needs the protection of a bodyguard of lies. Leak a high version of a forthcoming inflation rate, the theory goes, and when the actual figure is announced at a lower figure, the public will be pleased and the leak refuted.

So Mr Heseltine may after all have no plans for the abolition of county councils or local education authorities, as well leaked, but is merely preparing the nation and his party for a sensible return to the rates. All the rest were mere scare stories and "nothing to do with him". Local government has been saved, the nation is supposed to cry, what a relief and well done, Michael!

## Lessons to be learned from the Birmingham Six case

From Judge N. E. Beckett

Sir, I do not seek to comment upon, still less to excuse, the self-evident failure of our criminal justice system in the case of the Birmingham Six, but I would plead that, in all the natural concern about the circumstances surrounding the plight of the six men, we should not forget the more direct victims of the bombings, those who were killed or injured and their relatives, for whom the only consolation over the years has been the belief that the perpetrators were safely behind bars.

Nor should we forget who are the real villains in this tragedy. They are not, surely, the people who form the component parts of our criminal justice system, however inadequate any of them may be shown to have been. The true villains are the terrorists who carried out the bombings and have been content to see innocent men rot in jail while they are free to plot and execute further outrages.

We should not give the terrorist organisations the satisfaction of seeing that, now one wrong has been righted, at least in part, all our indignation is turned away from them and directed instead at the very system by which we try to protect our freedoms.

It is naive to feel some disappointment that, in the understandable mixture of euphoria and bitterness felt and expressed by the six men, their supporters and advisers in the last few days, there has been so little criticism, let alone bitterness, voiced about the role of the Provisional IRA in this terrible affair?

Yours faithfully,  
NICHOLAS BECKETT,  
The Crown Court at Snaresbrook,  
Hollybush Hill, E11,  
March 18.

From Mr J. C. E. Mercer  
Sir, The events which led to the conviction and imprisonment of the Birmingham Six happened years before the last Royal Commission

on Criminal Procedure began its enquiries. A very high percentage of its recommendations were adopted and embodied in the Police and Criminal Evidence Act 1984.

This was followed by codes of practice governing the treatment of suspects and prisoners during the investigative procedures, both in and out of custody. It is still not impossible for police officers to misbehave in their treatment of suspects, but it is much more difficult than it used to be. The view has been expressed that if the law and practice now in force had been in force at the time of the Birmingham Six arrests, it would not have been possible for the prosecution to secure any conviction.

The remit of the new royal commission is very wide indeed. Adequate time must be allowed for investigations to be properly considered. There is no point in rushing, merely because it seems to be politically or otherwise desirable to find a speedy solution.

As for demands that we should abandon the adversarial system of trial and change it to the inquisitorial, I shudder to think of the consequences. It would certainly take 20 years to do it. Are we to assume that the supporters of the inquisitorial system say that it never suffers the occasional miscarriage of justice?

Yours faithfully,  
JOHN C. K. MERCER  
(Member, Royal Commission on Criminal Procedure, 1978-81),  
334 Gower Road, Killey,  
Swansea, West Glamorgan,  
March 15.

From Mr Robert Pe  
Sir, Section 76 of the Police and Criminal Evidence Act 1984 allows the trial judge to exclude a confession if he regards it as "unreliable" and section 78 allows him to exclude evidence if it would be "unfair" to admit it.

We are told that judges are

ings with all scientific advisers to the parties. These showed that it is possible for scientific advisers to disagree. This danger is inherent in any suggestion that an attempt should be made to obtain agreement before hearings.

The investigations brought together expert advice from the universities of Leicester, Sheffield and Aston, Imperial College and University College, London, as well as the Safety in Mines Research Establishment, to which was added the valuable research of one of the parties, Dutch State Mines. The evidence was tested throughout in the adversarial procedure of the enquiry.

Yours faithfully,  
FREDERICK WARNER,  
University of Essex,  
Department of Law,  
Wivenhoe Park, Colchester, Essex,  
March 6.

## Scientific evidence

From Professor Sir Frederick Warner, FRS, FEng

Sir, Lord Scarman ("Justice in the balance", March 5) suggests an independent scientific service for the Crown Prosecution Service providing advice to all parties in criminal trials. There is an example worth studying in the enquiry on the Flixborough disaster (1974).

I was appointed to advise Treasury counsel on the scientific and engineering aspects, but at the first formal meeting of the enquiry its chairman (now Lord Justice Parker) directed that responsibility would be to the court and that material would be provided to all parties. It meant that the police and also the Factory Inspectorate handed over their responsibilities.

At a later stage, an engineering member of the court chaired meet-

## 'Virgin births'

From the President of the British Psychological Society

Sir, The British Psychological Society welcomes the decision of the Statutory Licensing Authority, set up under the Human Fertilisation and Embryology Act, to ensure that sperm donors are given detailed premarital counselling (report, March 13).

This whole area of fertility treatment has the potential for causing psychological distress for everyone involved. Our hope is that the code of conduct covering the counselling will specifically mention the need to use only chartered psychologists, as these are the only professional psychologists working who are covered by an independently overseen code of practice and have achieved a specified level of qualifications.

Yours sincerely,  
P. E. MORRIS, President,  
The British Psychological Society,  
St Andrews House,  
48 Princess Road East,  
Leicester,  
March 13.

From Mrs Penelope Tremayne  
Sir, Several women are being counselled to see if they are suitable to have "virgin births".

How comforting to know that our society has a pool of persons qualified in this field. Are men serving as counsellors? Or can they look forward to receiving counsel, so that they too may claim their right to this enhancement of the quality of life? Doubtless counsellors are already available to readjust virginally-born children.

Yours faithfully,  
PENLOPE TREMAYNE,  
Kestle,  
Wadebridge, Cornwall,  
March 11.

## Eating out

From the Managing Director of the Savoy Group of Hotels and Restaurants

Sir, Jonathan Meades's weekly rambling through the restaurant trade recently took in Simpson's-in-the-Strand (Food and Wine, March 9). Whilst agreeing that a journalist is entitled to his subjective views, in this case about the roast beef and the decor, he should get his facts straight before setting pen to paper, and not let his strong personal opinions distort his journalistic vision.

Whilst Mr Meades is known for his amusingly written and caustic critiques, I should like to make two points. First, he writes "I sat in Simpson's surrounded by tables of French and Japanese", thereby

implying that Simpson's is frequented only by large groups of foreigners. This is not so. Indeed, Mr Meades visited Simpson's when the Gulf war was at its height, and London had relatively few French or Japanese visitors and certainly no large groups. If he had that impression of Simpson's, then Simpson's was extremely fortunate.

The second point is more serious. Again I quote: "But also because this is where pinquish cab drivers lead them, and hotel porters on the take, and duff guidebooks". The Savoy Group has never, and never will, pay cab drivers or hotel porters to

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (071) 782 5046.

## Different disciplines

From the Director General of the Engineering Council

Sir, The Royal Mail has honoured Michael Faraday (electricity), Charles Babbage (computer), Sir Frank Whittle (jet engine) and Sir Robert Watson-Watt (radar) by depicting their achievements and names on the current series of stamps.

However, the Royal Mail first day cover envelope and the accompanying text describe their achievements as "scientific". They also talk of "scientists". Nowhere do the words engineering or engineers appear. We would claim that they were engineering feats.

recommending any of its restaurants. As for guidebooks, it is debatable which are "duff", but again we have never, and never will, pay for inclusion.

Furthermore, Simpson's has been in business for over 150 years. How many other London restaurants can boast of such longevity? It must have been doing something right all that time, or it would be out of business like so many of its more modern competitors, who, for all I know, may have been more to Mr

Yours faithfully,  
G. R. C. SHEPARD,  
Managing Director,  
The Savoy Group of Hotels and Restaurants,  
1 Savoy Hill, WC2,  
March 18.

inclined to exercise this discretion where the Act's code of practice has not been complied with and in particular where the accused has been denied his right to legal advice.

However, would it not be more effective in such cases to exclude any statement made by the accused before he had been allowed to see a solicitor? If necessary, the trial could be adjourned for the police to re-interrogate the accused, this time with a solicitor present.

At the outset this procedure might prove costly but would soon result in the police ensuring that suspects are given their right to legal advice and, one hopes, to justice.

Yours faithfully,  
ROBERT PE,  
Landowne, Rathem Lane,  
Bosham,  
West Sussex,  
March 14.

From Mr J. E. Plummer

Sir, The Police and Criminal Evidence Act gives statutory recognition to the right of a suspect to have a solicitor present during his interview, a notable exception being in some terrorism cases. It is my experience as an administrator of the local duty solicitor scheme that the police no longer resent the presence of a solicitor during an interview as it gives credence to any confession that is made. In the light of recent cases, it is very difficult for a defendant to retract his confession if he has had a legal representative present.

Rather than call for the abolition of uncorroborated confessional evidence, as one now hears in the wake of the Birmingham Six case, would it not be better to amend the Prevention of Terrorism Act so that a suspect has the right to legal representation immediately?

Yours faithfully,  
JAMESON PLUMMER,  
Plummer, Forshaw & Harrington  
(Solicitors),  
The Beeches, Bridge Street,  
Thetford,  
Norfolk,  
March 15.

From Lord Devlin

Sir, I am one of those who have for years past doubted the guilt of the Birmingham Six as well as of the Guildford Four and the Maguire. We have also given thought to analysing the causes of these disasters, not excluding judicial error, to devising ways of preventing their repetition and of persuading the public and the powers that be of the need for them. Our efforts will be hampered by the ignorant and offensive article about Lord Lane and Lord Bridge by Bernard Levin which you print today.

Sincerely,  
DEVILIN,  
West Wick House,  
Pewsey,  
Wiltshire,  
March 18.

## Employment issues

From the General Secretary of the British Youth Council

Sir, The various reports concerning rising unemployment and the lack of funding for training featured on your home news pages today, such as "Britain tops EC scale of rising unemployment" (March 11), made for depressing reading for anyone about to leave school or college.

It is not often that the concerns of young people are matched by those of their future employers but here there appears to be unanimity — not simply concerns about rising unemployment but, more particularly, over inadequate training opportunities.

Having successfully raised the profile of training for both employers and their future employees, the government now needs to back up its rhetoric with proper financial resources. If it does not, then in addition to unemployment, young people leaving school and college in the coming months will be faced

with perhaps the more daunting prospect of underemployment; that is of no use to them nor to our failing economy.

Yours faithfully,  
GRAHAM HITCHEN,  
General Secretary,  
British Youth Council,  
57 Chalton Street, NW1,  
March 11.

From Professor Gordon Pepper

Sir, An explanation for the current high level of unemployment in east Germany (report, March 19) is that the workers there are too expensive to employ. This is because a wrong rate was chosen for the exchange of Ostmarks for Deutschmarks during reunification. It is a classic example of what can happen when politicians set exchange rates.

Yours sincerely,  
GORDON PEPPER,  
City University Business School,  
Centre for Financial Markets,  
Frobisher Crescent,  
Barbican Centre, EC2,  
March 19.

Describing engineers with such loose abandon confuses rather than helps the teaching and engineering professions in their efforts to explain the differences between the engineering and science disciplines. The correct identification of these engineers on the series of stamps would have helped enormously in the various campaigns to attract more young people into engineering at a time when the country is in dire need of them.

Yours sincerely,  
DENIS E. FILER,  
Director General,  
The Engineering Council,  
10 Maitland Street, WC2,  
March 7.

recommending any of its restaurants. As for guidebooks, it is debatable which are "duff", but again we have never, and never will, pay for inclusion.

Furthermore, Simpson's has been in business for over 150 years. How many other London restaurants can boast of such longevity? It must have been doing something right all that time, or it would be out of business like so many of its more modern competitors, who, for all I know, may have been more to Mr

Yours faithfully,  
G. R. C. SHEPARD,  
Managing Director,  
The Savoy Group of Hotels and Restaurants,  
1 Savoy Hill, WC2,  
March 18.

## Planning control on wind farms

From Dr Andrew D. Garrad

Sir, On March 12 you reported the Countryside Commission's views on the development of wind farms. The commission suggests the imposition of an embargo on "controversial proposals". Such a blanket embargo runs contrary to accepted practice. A basic tenet of planning control is that each application is considered on all its merits.

It is very difficult for the public, and its representatives, to form a view on the merits of such schemes. The Countryside Commission acknowledges the value of clean power and yet, through Sir Derek Barber's statement, puts a large obstacle in its way. It thus hinders the formation of an objective assessment of the balance between environmental benefit and visual intrusion.

Viscount Astor announced in the Lords, early last month, that "the government are addressing the need for planning policy guidance on the specific issue of renewable energy resources". It is vital that the exploitation of Britain's wind resource is considered in this context, so that global and local aspects of the problem may be balanced.

Yours faithfully,  
A. D. GARRAD  
(Vice-chairman),  
British Wind Energy Association,  
4 Hamilton Place, W1,  
March 14.

From Mr Francis O. J. Orway

Sir, Perhaps I should reassure the Countryside Commission that there is no risk of thousands of wind turbines being erected in this country, and certainly not of them being sited as close together as they are in some parts of California, for instance. The variability of wind direction in Britain means that they will need to be fairly widely spaced — 300 metres between machines if they have blade diameters of 30 metres — to avoid interference effects.

Nowadays windmills are seen as objects of beauty. May not the same be true of wind turbines in, say, 30 years? Already public reaction is favourable, by and large, to the few turbines so far installed.

A small number of wind farms should now be constructed and made operational, so that the general public and the Countryside Commission can see their acceptability for themselves. Instead of obstructing such proposals, could not the commission help to select a limited number of farm sites with annual mean wind speeds of between 15 and 20 mph? Why should the whole of national parks be "no-go areas"?

Yours faithfully,  
FRANCIS O. J. OTWAY,  
Corvax, Cotswold Mead,  
Farnwick, Stroud, Gloucestershire,  
March 12.

From Mr R. C. G. Cooke

Sir, So the Countryside Commission is opposed to the siting of some wind turbines. How quixotic. Yours faithfully,  
R. C. G. COOKE,  
Davenport House, Bushbury Road,  
Wolverhampton, West Midlands,  
March 12.

## An older Russia

From Mr R. E. M. Lawson

Sir, One small but attractive contribution which could be made to the restoration of Leningrad's pre-revolutionary "image" (Diary, March 11) is the reopening of the St Petersburg real tennis court, built for Catherine the Great and now the gymnasium of the university. It has until recently been out of bounds to foreign visitors because of its use for physical training by the local military garrison; but I have been told by a leading British player and writer who did manage to see the court that it would, with very little refurbishment, be playable once again.

The court could perhaps be opened with a demonstration match between Russian players and representatives from all those real (royal) tennis courts (Falkland Palace, Hampton Court, Oxford University and others, including those in France) which were in existence when the St Petersburg court was built.

Yours faithfully,  
RUSSELL E. M. LAWSON,  
Oxford University (Real) Tennis Club,  
Merton Street, Oxford,  
March 11.

From Mr Paul de Raymond Leclercq

Sir, Your Diary item puts me in mind of the story of the old Russian who, when asked in an interview "Where were you born?" replied "St Petersburg". "Where did you go to school?" "Petersburg." "Where do you work?" "Leningrad." "Where would you like to work?" "St Petersburg". Yours etc.,  
P. de R. LECLERCQ,  
78 Townmead Road, SW6.

## Out on a limb

From Mr Peter L. G. Bateman

Sir, Has nobody explained to Alan Coren (L, and moreover, March 12) that the squirrel is simply a rat with good public relations?

Yours truly,  
PETER L. G. BATEMAN,  
Poyning, The Limes,  
Felbridge,  
East Grinstead, West Sussex,  
March 13.











After two children, and two books on child-rearing, Libby Purves is sure of one thing: children grow up as they please



Mothers' helpers: child development gurus who have left their mark on current generations include, from left, Paula Yates and daughter Fifi; Dr Hugh Jolly; Dr Miriam Stoppard; Dr Benjamin Spock and Penelope Leach

The call was from Denmark, in faultless English. Would I comment, please, on systems of toilet-training for a magazine? Or could the relevant paragraphs of my book, in Danish translation, be reprinted? I thankfully took the second option and hung up with a shaking hand. What next? Italian *Vogue* demanding a quote on the tooth fairy? The *Frankfurter Allgemeine Zeitung* straw-polling about smacking?

At least I was safe from transatlantic enquiries: the Americans will not publish my books about children because they are not "positive" enough. The titles *How not to be a Perfect Mother* and *How not to Raise a Perfect Child* do not chime well with the culture which invented "having it all". The first 20 minutes of motherhood having convinced me that there is no chance whatsoever of having it all, my tone is probably closer to "having-mislead-it-somewhere-owing-to-lack-of-sleep-but-never-mind". This goes down fine in Europe, but will not do for the States.

Anyway, I never meant to become a childcare guru, and the role fills me with some dismay. Especially since the whole process began with a heartfelt conviction that there are far too many childcare gurus already. Eight years ago, as a shell-shocked new mother with a wakeful baby and flat nipples, I was overshadowed by Benjamin Spock, confused by Drs Jolly and Stoppard, irritated by Miriam Stoppard and made to feel alternately idealistic and hopeless by the lucid perfectionism of Penelope Leach. It is, perhaps, lucky that the experience of motherhood came early enough for me to avoid being patronised by Paula Yates.

There is good in all the books: it was just that in my uncertainty I took them too seriously. One particular night sticks in my mind, when I searched my entire library in the hope of finding the printed sentence: "Some babies, sometimes, need to cry themselves to sleep. It does no lasting harm." Failing to find it, I picked my son

up, and paced, and fed, and paced, and wept.

So why choose to swell the torrent of advice on child-rearing which has flowed from Jean-Jacques Rousseau to Mrs Bob Geldof? What inspired me was reading earlier generations' gurus, a pursuit inspired by Christina Hardyment's history of childcare manuals, *Dream Babies* (Cape, 1983). As I surveyed the diversity and barminess of advice down the decades, I realised that anybody could join in.

After all, once you know that Rousseau favoured dipping babies in icy water to harden them up, that Mrs Sydney Frankenburg believed you should never point out things to a toddler because it diverts blood to the brain which should be going to building healthy teeth, and that John B. Watson argued, in the Twenties, that you must never hug or kiss a child (shaking hands in the morning is enough), you are healthily inoculated against gullibility. Alone with your baby and your pile of books, you give up searching for Holy Writ and accept that every childcare book is the product of a particular personality and culture. If the Thirties and Forties saw women advised to leave babies in prams down the garden all day, might it not be partly because that was when houses shrank and housemaids became extinct? If Dr Truby King was obsessive about feeding by the clock, should we not remember how, as superintendent of the Seadiff lunatic asylum in New Zealand, he experimented on the asylum farm with the "scientific rearing" of bucket-fed calves?

So, clearly, pinches of salt should equally be applied to the writings of the current authors. Look hard and you can see who has read too much psychology, who is enthused by feminism or reacting against it, who is a Sixties child in search of "natural" behaviour, and who is a tight, over-controlled Seventies person obsessed with career and style. It is a fair bet that future



Anybody can join in: Libby Purves with her son Nicholas

generations will get as many laughs out of "quality time" or early infant education as we do out of Watson and Frankenburg. So I joined the bossy chorus. Not being a doctor made me feel an impostor at first; but then the trouble with books by doctors is that, because one defers to their knowledge of spots, one is too slow to question their parental qualifica-

tions. Yet what does a medical degree teach you about bedtime, television watching, or discipline? There are as many unbalanced doctors as there are laymen. And psychologists. Just ask their children. I resolved to speak from the front line. Rather than wait ten years and write in a quiet tidy room, I would do it quickly, before my younger child reached three, thus ensuring that the main influences on me would not be theoretical but small and grubby. Not a page of the first book - up to age three - was completed without a child under the desk filing my shoes with Sockelocks, or a baby snuffling ominously in a basket alongside. Every observation was cross-checked with questionnaires filled in (often, they caustically observed, in the small hours) by other mothers of mixed ages and class; every piece of advice qualified by an account of someone else's system which also seems to work. It was an assault on theory.

I had not yet heard Bruno Bettelheim's phrase about "good-enough" mothering, but that was roughly it: ways to get by without much style but without guilt either, to love without illusions and to arrange family life so that poor mummy got out for the odd game of darts. Then I swore never to write on the subject again.

Five years on I had to, because the goalposts moved. Still knee-deep in the subject, I discovered that the years from three to eight were a totally different subject. The traditional "0 to 5" baby book had always seemed nonsense: a child changes so radically at about three

that an eight-year-old has more in common with a four-year-old than the four-year-old does with a baby. Without nappies or broken nights the challenges became intellectual: explaining death and war, helping children to handle friendship, money, strangers, school, pets... other mothers, writing in, provided checks and balances (the hazard of being a childcare-guru is galloping opinionatedness). I wrote the chapter about illness and accidents sitting beside a small hospital bed, and the one about toys knee-deep in broken ones.

So there was plenty of input. Re-reading the book after six months, I notice that it appeared to draw advice also from Saki, George Orwell, *The Pilgrim's Progress*, Terry Waite and Vesta Tilley. At least such openness about my cultural influences will assist the next generation in its duty of throwing me aside.

Because it will. I have learnt humility. I now know the problems of the childcare-writer: inability to decide whether to say "the" or "she", terror of accidental ambiguities which might betray a hasty reader into doing something dangerous, and fits of Stygian gloom when the chapter on discipline cannot be put off any longer. I know what it is to hammer out 1,000 words on the importance of listening to your child, while ignoring a monologue about Ninja Turtles from the floor alongside. In the end, all I can do is offer my contribution to the genre as a grudging sort of tribute to all the rest. What we are all doing, in our different ways, is acknowledging the extraordinary and perennial power that children have to remodel their parents: and hoping that, as they grow older, the path towards enlightenment will wind just a little bit further upwards.

How Not to be a Perfect Mother is published by Fontana (£3.99). How Not to Raise a Perfect Child will be published by Fontana on March 28 (£4.50).

## & BRIEFLY

### Tornados for ties

NO SOONER was the ceasefire declared in the Gulf than that enterprising jeweller, Cobra & Bellamy, produced a commemorative set of silver stick pin (£21) and cufflinks (£42) designed in the shape of an RAF Tornado. Just the thing to buy for returning heroes. The pieces are available from Cobra & Bellamy at 149 Sloane Street, London SW1 071-730 2823 or from its concessions in department stores such as Liberty.

### Crèche course

ADVOCATING more crèches is one thing. Ensuring that the crèches which are set up are adequate custodians of children's development is another. The ABC of Crèche Training, by Carrie Birch and Nina Houghton (from the Daycare Trust, Wesley House, 4 Wild Court, London WC2B 8AU, telephone 071-405 5617, for £4.55 including postage and packing), is aimed at organisations and individuals hoping to become involved in the crèche movement. The book also offers useful guidance on staff training and resources for those who are already on the ball.

### Oxfam bags

ONE of the cleverest hold-alls comes from the new Oxfam Spring Bazaar catalogue. During the working week it is a neat tan leather shoulder bag, measuring 10in by 9in, but for weekends away, or impromptu shopping sprees, it expands into an attractive overnight bag 19in long. The bag, which is made in Colombia, costs £39.95. The catalogue, which contains everything from garden sheds to "organic forest honey", is available from Oxfam, PO Box 182, 274 Banbury Road, Oxford OX2 7DZ.

### Shaker sale

THE Shaker Shop is holding its second one-day sale on Saturday April 6. You have been warned early, because last year's one-day sale of furniture and home accessories had people queuing outside from 6.30am - with most of the stock sold in the first few hours. There will be more than 50 per cent off some pieces. Classic straight chairs will be available for £99. This year the sale has been moved to the Swedish church hall in Harcourt Street, London W1, opposite the Shaker Shop at number 25. Officially the sale will start at 10am.

VICTORIA MCKEE

## Nice work for a lady

Betty Kenward, whose 'Jennifer's Diary' has become an upper-crust institution, is hanging up her evening gloves

Betty Kenward, who has been chronicling the upper classes at play for nearly half a century, is to retire in July. The woman behind "Jennifer's Diary" in *Harpers & Queen* magazine will be 85. "I was told a few weeks after I started - incidentally, I was paid ten shillings and sixpence - that if I didn't make my diary more zesty, more sensational, I wouldn't last."

She has survived so long precisely because, ignoring trends towards cover-to-cover bitchiness, her innocent monthly jottings have remained steadfastly "nice" about everyone and everything. Now, in the newly nice Nineties, it is becoming unfashionable to be beastly about Mrs Kenward and her brand of journalism. Nice, as *Hello!* and the reunched *Tatler* are proving, is commercial.

The reason her subjects like and trust Mrs Kenward is, she says, because she is one of them. "I was born in Cadogan Gardens and never went to school. I had governesses in London and the country and went to a finishing school in Brussels. I hunted as a child, went to Cowes and the races and watched polo."

She intends to bow out after her two favourite events, the De Bours Diamond Day race meeting at Ascot and the Cartier International Polo Day at Cowdrey Park. "That is always a big weekend. It will be a nice thing to end on."

But it will not mark the end of her writing career, as she has been asked by some "good publishers" to do a book. "While I can still see, I can still hear and I can still think, I ought to do it," she says. The highlight of almost 50 years of attending glittering occasions was, she says, the Queen's coronation, and she still regrets that she did not realise guests could purchase the chair they sat on. "It was rather nice blue velvet. I bought my red chair from the Prince of Wales's investiture. It cost about £15 or £20 and was

designed by Tony Armstrong-Jones. Frightfully uncomfortable. Comfort, for someone who may have to go to four cocktail parties in one evening or attend three weddings in a day, is naturally a major concern. "I sometimes stand for hours and my feet get very tired and my back aches, but one has to suffer. It is work and it has to be done. I wear an overall in the office to keep my party frocks clean and use quite a bit of costume jewellery, because that always helps. It takes me a long time to do my hair in the morning and I always brush all the lacquer out no matter what time I get home otherwise my hair would not survive. Sometimes I put my face on at 7am and it has to do me right through. I only go home to change if I'm going to a dance or something big like that. I usually read while I am being driven because I have to be chued up with what's happening in the world politically and sporting-wise."

"I write my diary in longhand, usually with a soft pencil because I get fibrositis in my arm. I don't carry a notebook around with me but after a party I jot down just roughly all the names on the back of the invitation, so one doesn't get the wrong people at the wrong parties."

"Nice people still have nice manners, but they use first names earlier than they used to. If I know someone very well I will say something for their house, but otherwise my wedding present is always a subscription to the magazine." Mrs Kenward moved to her Hill Street, Mayfair home because it is within walking distance of where most things, she says, take place: Claridge's, the Ritz, the Dorchester. She occasionally entertains at home - "never cocktail parties. I loathe them" - but Christmas day, for instance, she prefers to spend alone, going to church, watching the Queen's speech and dining on grilled sole.

On the perennially vexing question of whether it is or is not nice to use a fish knife, she is unequivocal. "Of course you must use a fish knife. How else do you get the fish off the bone? But some people give you a steel knife. It upsets me terribly. I can't bear it."

HEATHER KIRBY

© Times Newspapers Ltd 1991



Lovely to the last: Betty Kenward

# A big hand for those who gave us a hand.

The unwavering support of the international community has helped the people of Kuwait to stay firm in the face of aggression. On behalf of all our people, Kuwait Airways would like to say thank you.

Today, as always, we are flying the flag around the world with a route

network that extends from New York to London, Cairo to Bombay and the Gulf. Now we're back where we belong - welcome home, welcome aboard!



Meeting the challenge and flying high.



## BACK COPIES AVAILABLE

FOR THE LAST 6 MONTHS

NEWS INTERNATIONAL  
NEWSPAPERS LTD  
BACK DATES  
P.O. Box 481  
VIRGINIA STREET  
LONDON E1 9BD

071-782 6127  
071-782 6128

THE TIMES  
THEATRE  
The  
CO  
As the F  
Barbican.  
to classic

In the scheduled  
of plays writ  
the second wor  
at the heart of  
the most of the  
demand are the  
this country's act  
shakespears' stre  
the strength of th  
theatre - or should  
the quality  
of production  
produced by  
have had the art  
verse and the vocal  
certain themselves  
one drama in the  
theatre. There for  
that with a la  
masks, creating two  
their bodies - for  
new piece and out  
the music. And as the  
musicals, the new  
of the new opera  
the Royal Opera  
part of the new  
to the theatre. This  
the company's a  
has long been far  
can output.

The British class  
was founded by Pe  
the RSC's first direct  
Peter Brook, John B  
others, about the co  
formation of the th  
Hall was a result of  
National Theatre,  
whose core of associa  
tors are former humi  
the RSC. Even the col  
younger "first star" a  
past stars of the RSC, I  
Benjamin Stoppard and  
the English Shal  
Company, founded by  
chairs. Brooking, an  
mation of the RSC, at  
the classical tradition  
throughout the coun  
The company's new  
director, Adrian New  
knowledge that the R  
special responsibility  
acceptance of the re  
man. When he unve  
told of the first se  
opening in London for  
at Stratford-on-A  
day - he announced  
many had hoped for  
new commitment to  
space and classical  
"We have opened our  
too wide in the past.  
Noble. Now what's a  
to a new mission. O  
is the best classical co  
the nation can afford."

Noble, the award  
vamped the opera's  
ment structure, the  
dispensed with the lo  
ing ultimate form of as

## Mark made

MORE recognition for  
musical white-kid,  
Waggoner. The 26  
old British conduct  
been appointed mus  
rector of Opera Fato  
makes his debut wit

## Last chance

FOR his first play,  
Mark makes strange  
childhood home for a  
fresh life are regulat  
Tom Mannion, give  
Saturday at the Old R

## Ope

Take your love-rit  
and fly with u  
Dromminghol  
with Opera

op

At the April





THEATRE

# The verse that could happen

As the Royal Shakespeare Company returns to the Barbican, Jim Hiley assesses another promised return, to classicism, with new artistic director Adrian Noble

In the schedules of regional theatres, one third of all plays written before the second world war are by Shakespeare. His plays lie at the heart of the classical repertoire, and the skills they demand are the mainstays of this country's acting tradition. Shakespeare's strengths are the strengths of the British theatre — or should be.

Of late, the quality of classical productions has deteriorated alarmingly. Actors have lost the art of speaking verse and the vocal power to sustain themselves through epic dramas in large auditoriums. Directors warp Shakespeare with facile gimmicks, reserving too much of their creative energy — and of their subsidies — for anaemic new plays and extravagant musicals. And as chief guardians of the Shakespeare canon, the Royal Shakespeare Company has been widely blamed for the malaise. This is not unfair: the company's influence has long spread far beyond its own output.

The British classical style was redefined by Peter Hall, the RSC's first director, with Peter Brook, John Barton and others, during the company's formative years in the 1960s. Hall went on to run the National Theatre, half of whose current associate directors are former luminaries of the RSC. Even the company's younger "rivals" are run by past stars of the RSC: Kenneth Branagh's Renaissance group, and the English Shakespeare Company, founded by the Michaels Bogdanov and Pennington. If the RSC atrophies, the classical tradition declines throughout the country.

The company's new artistic director, Adrian Noble, acknowledges that the RSC bears special responsibilities, and accepts much of the recent criticism. When he unveiled details of his first season — opening in London tomorrow and at Stratford on Saturday — he announced what many had hoped for: a renewed commitment to Shakespeare and classical virtues.

"We have spread our wings too wide in the past," says Noble. "Now what's called for is a sense of mission. Our aim is the best classical company the nation can afford."

Noble has already revamped the RSC's management structure. He has also dispensed with the long-serving all-male team of associate

directors, and signed up several newcomers, conspicuous among them two women, Phyllida Lloyd and Katie Mitchell. His reforms have accompanied the resolution of the RSC's financial crisis — assuming the City of London ratifies a grant of £1.3 million to match "enhancement" funds pledged by the Arts Council. Equally significantly, the Arts Council has formally endorsed the RSC's presence in London, a mere 30 years since it first opened shop in the capital. The re-dedicated classical company is now also, with official blessing and support, a national company.

In these circumstances, Noble has scant excuse for failing to rectify the RSC's standards. But what he promises is a "refocusing" of its activities, a return to the "voice music" and tourist-pleasing pageantry of the pre-RSC era.

**'What's called for is a sense of mission. Our aim is the best classical company the nation can afford'**

— Adrian Noble

In fact, his approach is markedly similar to that of Hall and his successors, Trevor Nunn and Terry Hands. It combines textual rigour with a modern directorial outlook, and it is rooted in the idea that a play is a classic, as opposed to merely old, if it resonates for each new generation.

Verse speaking and vocal prowess may improve, but directors will continue to look for topical relevance in Shakespeare. Neither the RSC nor its counterparts are yet ready to join the heritage industry. For example, the English Shakespeare Company is unlikely to drop the contemporary embellishments which have helped win it a devoted following — and some opprobrium — in the regions and abroad since 1985. (In the RSC's production of *Henry V*,

the English army went to France roaring "here we go, here we go, here we go".)

"The vitality of Shakespeare's work derives from its accessibility," says Michael Pennington, a one-time RSC Hamlet who will lead the RSC in *Coriolanus* and *The Winter's Tale* at the Aldwych next month. "For the Elizabethan spectator, a character like Malvolio resembled the guy who lived three doors away. He should be equally recognisable to modern audiences. People think the RSC are tearaways and mavericks, but the truth is we're very traditional."

Adrian Noble's productions rarely include hooligan chants, but he echoes Pennington's sentiments. "At the RSC, we will be collectively examining formal language. We'll be asking how you make verse modern while keeping its structure, and how you communicate the very condensed experience that is poetry without it sounding as if it did in the 1590s."

Every Thursday morning, in place of rehearsals, Noble's company take classes in verse, voice and movement. Small groups meet during the week to study metre, alliteration and what Noble calls "other nuts and bolts in our tool kit". This summer, a two-week programme of workshops will be held for young directors from regional theatres.

"We have paid too little attention to verse lately," admits Noble. "As a result, certain insights into the speaking of Shakespeare have nearly passed out of circulation. The rot has already begun to set in."

If Noble does not stop it, nobody else will. Michael Pennington explains that his company cannot mount an in-house training scheme comparable to the RSC's because of limited funds and the pressures of touring. The National has specialist voice and movement departments, and its studio organises a "development" programme for actors. But its output is more broadly-based than that of the other national company, with equal emphasis given to "world drama" and contemporary theatre.

"Playing complex texts on a large stage requires specific techniques," says the National's executive director, Genista McIntosh. "I hope the RSC can refine and develop



Jonathan Pryce in the title role of Adrian Noble's RSC production of *Macbeth* in 1986

them, and then feed them back into everyone else's work." Once upon a time, these techniques were at the core of teaching in drama schools.

But nowadays, young actors are steeped in the more introspective styles of stage naturalism and screen acting. "Shakespeare uses vocal and imaginative muscles that are hardly needed for the rest of the repertoire," says Pennington. "You only exist in his plays when you speak."

By contrast, what happens "between the lines" is the focus of the Stanislavskian method and the crude versions of it that dominate acting in America and, increasingly, Britain.

Against this tide, Noble hopes to re-establish Stratford

as "a rally point for artists interested in Shakespeare and the classics." Musicals will take a back seat — and initially at least — he will mount fewer new plays. He is reluctant to agree that the RSC has wasted resources on contemporary drama, but he admits that the "right to fail" has been invoked too often.

"It would be pusillanime to shut the door on new plays. What we need to do is spend more time ensuring them between first draft and dress rehearsal. Plays have been reaching our stages before they were ready."

For the time being, Noble is preoccupied with Shakespeare and "a line of dramatists who passed the baton on from him": Farquhar, Wycherley, Sheridan, Boucicault, Wilde. "Later, it will be important to see where the baton is among

contemporary dramatists."

He hopes to build a semi-permanent ensemble, for the purpose of which he is busy "running up flags" in the profession. "Ambitions have changed since I started my career, when most actors sought to excel in the classics. I hope to provide a fresh example to young performers, so that they will all say 'Yes, I want to be like that.'"

If Noble succeeds in revivifying our classical tradition, the benefits will be felt in theatres across the country. It is a fitting task for a born-again national company.

● *Love's Labour's Lost* has its first performance at the Barbican Theatre and Two Shakespearean Actors at the Pit, tomorrow (071-638 8891). The Verona opera in Stratford-upon-Avon on Saturday at the Swan Theatre (0769 295623)

GALLERY: SHEFFIELD

## Canadian specific

John Russell Taylor on a show that reveals some undervalued richness

Little is known in this country of the earlier stages of Canadian art, largely because until now the obvious sources of information, such as the art gallery in Canada House, have presented mostly the ultra-modern or folksy. But now there are a number of chances to catch up. Next month the Barbican mounts a comprehensive show, meanwhile there is a more specialised but still revealing show, *Our Home and Native Land*, at the Mappin Art Gallery, Sheffield.

Why Sheffield in particular? Because two of Canada's most important early-modern painters, Arthur Lismer and F.H. Varley, both emigrated from there, to be joined later by two lesser figures, Stanley Royle and Elizabeth Nutt.

They had all known each other in student and early professional days in Sheffield, and all began painting in the artistic *lingua franca* of the early 1900s: discreet touches of Impressionism, a softening of Bastien-Lepage's toned-down realistic approach to rustic subjects, all applied to the English landscape.

Going from there to Toronto, which Lismer did in 1911, followed by his friend Frederick Varley in 1912, must have been a considerable break, even though Toronto was then still fairly provincial. In the next 15 years, however, both Lismer and Varley caught the modern bug. Their styles were transformed.

Of the two, Lismer moved further fastest: by the mid-

1920s he was painting boldly simplified, semi-abstracted landscapes in strong Post-Impressionist colours, often with a hint of Symbolism in the way that a solitary tree twists and bends indomitably against a glowing sky. Varley went more cautiously in the same direction. Both evolved a distinctively Canadian style, unlike anything except some Arctic Circle paintings they cannot have known.

Varley and Lismer had become leading lights of the semi-revolutionary Group of Seven, which laid the foundations of modern art in English-speaking Canada, well before Stanley Royle plucked up the courage to join them in 1931. Elizabeth Nutt had gone over in 1919, but to a job in Nova Scotia. Nutt returned to England every summer, to see her mother, and Royle never seems to have become completely part of the Canadian scene. The Canadian work of both remains conservative. Lismer, on the other hand, is clearly major artist who remains shamefully little known in the land of their birth. It is perhaps a pity that their British birth provides the essential hook for British attention, but the results are a revelation in their own right, as well as filling in a too-little-known chapter in Anglo-Canadian artistic relations.

*Our Home and Native Land*, Mappin Art Gallery, Western Park, Sheffield (0742 734781) Tue-Sat 10-5, Sun 2-5, until April 10.

## Opera Now

magazine

This month Opera Now talks to Norma Major, visits the Opera Festivals, goes to school, and throws new light on Furtwängler. Come on and take a fresh look at Opera Now — Britain's leading opera magazine.

Ask for the April issue at your newsagent, £2.50.

## ANDREW DAVIS

returns to conduct the BBC Symphony Orchestra in Beethoven's Piano Concerto No. 4 and Elgar's 'The Music Makers' Solists: John Lill, Felicity Palmer

Royal Festival Hall Saturday 23rd March at 7.30pm

Phone 071-928 8800 for tickets (£3.50-£16.00) 071-927 4714 for further information



BRIEFING

## Mark made

MORE recognition for that musical whizz-kid, Mark Wigglesworth. The 26-year-old British conductor has been appointed music director of Opera Factory; he makes his debut with the

**Last chance...** FOR his first play, James Doherty's *The Rising of the Moon* brings estranged members of a family back to their childhood home for a funeral. But the details of Glasgow Irish life are beguilingly assembled and the cast, led by Tom Mannion, gives it tension and poignancy. Until Saturday at the Old Red Lion, Islington (071-837 7816).

## Opera Now

magazine

Take your favourite armchair, put on some opera and fly with us to Lisbon, Madrid and Drottningholm. Come on and live a little with Opera Now — Britain's leading opera magazine.

Ask for the April issue at your newsagent, £2.50.

18-20 April  
the national youth music theatre  
October's children  
the story of the wegeband children of the 1917 Russian revolution  
"stunning new epic musical"  
SADLER'S WELLS  
071 278 8916

CINEMA: INTERVIEW

## Music is more than incidental

John Barry, who is nominated for an Academy Award for scoring *Dances with Wolves*, talks to David Toop



John Barry: from *Beat Girl* to *Dances with Wolves*

Pop musicians may dedicate their albums to God or their accountants, but film composers are more reserved with their praise. With *Dances with Wolves*, nominated for a best score Academy Award, John Barry made an exception and dedicated his music to three doctors who saved his life.

Three years ago, Barry's oesophagus ruptured in the small hours of the morning. The subsequent illness involved five weeks in intensive care and a two-year period without work. Doctors initially suspected an attempt at suicide by poisoning. At the time, Barry was writing the music for a Richard Gere film. "If he'd tried to kill himself," Barry's wife told the doctors, "he would have waited until the score was over."

The cause of this trauma was finally traced to a health drink which Barry resists naming, being involved in a law suit against the manufacturers. Health drinks now off the menu, he claims to be fitter than ever. Visiting London to organise a new production of his 1974 stage musical, *Billy*, he has also been confronted with a Vic Reeves cover version of one of his best known songs, "Born Free". Perplexed that anybody would want to record a new version of this easy listening classic, and sheltered from Barry, Elmer Bernstein, Ennio Morricone or the late Nino Rota may be a vanishing

gate. "It probably helps if you're three years old and had a slow night," he says. Every time Barry returns to Britain he finds that another aspect of his career has been elevated to cult status: the James Bond film scores, Shirley Bassey's "Goldfinger", the twangy sound of the John Barry Seven or soundtracks such as *The Ipcress File* and *Body Heat* all have fanatical adherents.

Barry is clearly bemused by this interest in his earlier work but accepts it gracefully. "I've done 80 pictures," he says, "so there are many points of reference." Despite a healthy public interest in cinema soundtracks, composers with the arranging skills, melodic gifts and musical breadth of Barry, Elmer Bernstein, Ennio Morricone or the late Nino Rota may be a vanishing

breed. They have often been displaced in recent years by electronic composers or rock soundtracks, assembled from unrelated pop tracks.

Barry feels that the latter approach has had its day. "On the last *Rocky* soundtrack album," he says, "there were songs that weren't even in the movie and it said 'inspired by the movie'. The songs were recorded three years ago before the movie was made. I'd like to know how they do that. Back to the future, I guess."

Many of the young executives who now run music departments for large film studios began their careers in the record business and believe in the synergy approach to cross-media packaging. "When I first went out to Los Angeles at the beginning of the Sixties," Barry says, "all

those guys who ran the studio departments were composers, like Johnny Green, who was running MGM. They understood music and they would cast a composer as you would cast a star. That aspect is very thin on the ground now."

Barry's first awareness of music's relationship to dramatic action began early. As a small boy in York in the late Thirties he would act out adventures with his toys to the sound of Sibelius and Ravel. His father owned a number of cinemas in Yorkshire and, by the age of 16, Barry was saturated with film knowledge.

He formed his first group, the John Barry Seven, in the late Fifties, backing Adam Faith on hits such as "What Do You Want?", and eventually scoring his first film, *Beat Girl*. The score is full of atmosphere and ambitious arranging.

*Beat Girl* was followed by the Bond scores and work which ranged from cult films such as *Monty Python and the Holy Grail* to big mainstream pictures including *The Lion in Winter* and *Of Africa*. After his recent illness, the only worthwhile offer of a score came from Kevin Costner's co-producer, Jim Wilson, for *Dances with Wolves*. On Monday, Barry will discover if his recovery music has won him a fifth Oscar. *Dances with Wolves* was a film that most composers would give their right arms to score, he suggests, but Hollywood's obsession with formulas makes such projects a rarity. Now sufficiently established as an elder statesman to step off the production line, Barry remains pragmatic. "It's what we do for a living too," he admits. "Sometimes you run into a dry patch when you're not offered anything extraordinary so you do something unextraordinary. But I think those days are gone. Hopefully."

PREVIEWS FROM THURSDAY 7.30  
RSC  
ROYAL SHAKESPEARE COMPANY  
Royal Insurance  
*Love's Labour's Lost*  
SHAKESPEARE'S COMEDY ABOUT LOVE AND COURTSHIP.  
AN UNDOUBTED SUCCESS  
SUNDAY TELEGRAPH  
ENCHANTINGLY PRETTY  
DAILY TELEGRAPH  
BARBICAN THEATRE  
071 638 8891  
071 697 9977 14 00 - BUS 91



# The fire and grace reappear

**DANCE**  
**Swan Lake**  
**Covent Garden**

WHEN first given almost 10 years ago, this *Swan Lake* began the series of important productions whereby the former Sadler's Wells Royal Ballet staked its claim to independence and recognition which this season took it triumphantly to its new home in Birmingham. So using it to introduce the company's first London appearances under its new name of Birmingham Royal Ballet was a timely choice.

Peter Wright and Galina Samsova as producers and Philip Prowse as designer laid their foundations solidly and the staging still looks good on the Covent Garden stage. It is a heavy, dark treatment, starting with a funeral (Siegfried's father, to explain why the carefree prince must now settle down and marry) and ending with a corpse—Siegfried's own, carried from the lake by his friend Benno to counterpoint the vision of his spirit united with Odette in a better world.

Given this seriousness of purpose, a little more drama than the first-night cast supplied would have been welcome. Miyako Yoshida has been dancing like a

dream all season, and as Odile in Act III she shows that she is adding more expressiveness. But not yet as much as this role needs, except in Act IV where her Odette catches the sadness of Tchaikovsky's music for her first entry.

In Act II, crucially laying out the basis of the relationship that should be the heart of the ballet in her first meeting with Siegfried, she moved as beautifully as anyone could wish, but so coolly that it never became emotionally moving. Mark Silver made a helpful and sympathetic partner but did not provide the spark to wake her.

Usually for a British company, the supporting cast made a more lively effect in the national dances at the ball and in the lyrical scenes by the lake. The czardas was fiery, the Spanish dance grippingly sinister. Yet the flock of swans looked merely well drilled, and the four cygnets came close to an unintended comic effect.

The company's own orchestra, renamed the Royal Ballet Sinfonia, played with much clarity of individual instrumental detail under Ermanno Florio. Presumably the brisk speeds in the overture were dictated by the need to keep the show under three hours and avoid overtime, but otherwise the pace and rhythms were shrewdly judged.

JOHN PERCIVAL



Coolly beautiful: Miyako Yoshida as Odile in *Swan Lake*

**ROCK**  
**Deep Purple**  
**Hammersmith Odeon**

BY THE time Deep Purple reformed in 1984, the group had acquired the sort of mythical status that Led Zeppelin now enjoys. But like an old fighter, the band's stock has steadily diminished since it returned to the ring, and on the evidence of this slipshod performance, it now appears to be limping towards a second retirement.

Like so many prime movers of the heavy rock genre, Deep Purple's fiery musical chemistry depended on the friction generated by warring factions within the group. In Purple's case a trio of plodders—bassist Roger Glover, drummer Ian Paice and keyboard player Jon Lord—acted as buffers between the bombastic polarities of guitar wizard Ritchie Blackmore and shrieking vocalist Ian Gillan. Gillan having recently departed under a cloud, Blackmore has now drafted in one of his old stooges from Rainbow, Joe Lynn Turner, as a replacement.

A capable rock vocalist perhaps, but Turner was a singularly unconvincing front man. Stuffed into a pair of tight leather trousers, he offered a wooden compendium of rock 'n' roller-past-his-prime clichés. Meanwhile Blackmore beamed his Stratocaster around

with the sullen air of a man with one eye on the clock and the other looking for trouble.

This was the last night of a lengthy European tour and Blackmore's sulky demeanour was clearly at odds with the rest of the band who were in the mood for some high jinks. "Black Night", when Lord inexplicably deserted his keyboards just as Blackmore was looking for a cue to segue into "Child in Time". The furious guitarist sat on the drum riser head down, refusing several bars to acknowledge Lord's return, or rescue the song from what had turned into an embarrassingly rudderless vamp.

They hacked through some indifferent material from their recent albums—"The Cut Run Deep", "Perfect Strangers", "Fire in the Basement"—and others—songs which, with their paucity of melodic invention, underlined why the band has been outlandish in recent times by so many of the acts which it helped to inspire.

The show ended with a farcical encore. Blackmore, further enraged by an equipment failure, did not return to the stage at all. The other four staggered through one of their most celebrated guitar-riff songs "Smoke on the Water" with no guitarist. After this final cruel snub, they shook their fists victoriously and walked off, leaving a once-proud reputation in tatters.

DAVID SINCLAIR

**THEATRE**  
**Angels Still Falling**  
**Bird's Nest, Deptford**

JACK Kerouac, desperate to become a writer as great as Whitman or Melville, bumbled around the roads of America in the late Forties, wrote *On The Road*, and went on bumbling for the six years it took him to find a publisher. The book's success was phenomenal, a catalyst for the Beat Generation and hippie culture, but within days, if this play is to be believed, Kerouac had gone spectacularly to pieces. Dementedly drunk for weeks at a time, his talent had vanished long before his death, dissolved in the drink that weeks so many American novelists if they cannot square the act of writing with the role of American male.

Originally scheduled for the Half Moon, Richard Dean's play has found a home in this new pub theatre in Deptford Church Street, where a large upper room provides patrons with that rarity in the fringe: upholstered seats. David Stephenson's set curtains off half the stage along a diagonal, and though the triangle that remains is not painted to resemble a road receding to vanishing point, this image keeps coming to mind, even when the scene is a bar, as it often is, or the attic where Neal Cassidy and Kerouac share his girl.

Cassidy, the speed-freak whose tumbling talk inspired Kerouac's writing style, is brought to vivid life in Bill Marsh's feverish performance: jittery, haunted, doomed. Kerouac, also doomed, as are all the men save bearded Allen Ginsberg (Paul Besterman). The women fare better: their role in American Bohemia is to be stood up by the men, but they drink less. Francesca Wilde and Nicola Branson play them with a neat sense of comedy.

Adam Henderson's watchful, pink-faced hero catches the sense of Kerouac gobbling up experience, but does not hold our interest in the long, drunken decline. But nor does the play. Directed by John Turner with an acute eye for hippie mannerisms and sly judging the poignancy and the pace of the scenes, even the later ones, the play never addresses the faults in Kerouac's personality. Like Cassidy, he has a runaway father. Perhaps in looking for America he is looking for daddy. Perhaps he never grows away from his man, a good Catholic dismayed when he brings home a Jewish girl. Kerouac's schizoid, so long as he loves his mother. Well, maybe, but the threads connecting this to the drink-soaked rambling in *Big Sur*, California, are not drawn. A good jazz score, though, for guitar and bass, especially "Freezing in Mexico", huskily sung by Peter Jagger.

JEREMY KINGSTON

**THEATRE**  
**Measure for Measure**  
**Paris**

THE virginal Isabella is a holy slut, the wily Duke Vincentio a white-entitled Prince Charming and the righteous Angelo a Quakerish figure keen on his oats, in Peter Zadek's production at the Odéon Théâtre de l'Europe. This is a trio of characterisations that, for all its novelty value, fails to gel into a dramatic triad worthy of Shakespeare's intricate tale of ambiguous morals and ideologies.

In Zadek's first French production, his Germanic dramatic syntax clearly does not make it over the language barrier. Chiselled out of the granite of his native theatrical tradition, his visceral, vaudeville vision of the play

might well have worked. But instead it fragments into a series of disjointed tableaux that lack the cohesive, panache of Zadek's recent *Merchant of Venice*.

His latest brush with Shakespeare is decidedly tatty on the eye. Johannes Grütze's painted backdrops of daubed mountain landscapes, while heavy with foul and fine weather symbolism, are shabbily executed, and his tawdry, multi-epoch costumes evoke a class of method actors expressing themselves through the contents of an eclectic prop basket. There is no curtain to go up and the house lights never come down. Theatrical illusion is thus effectively destroyed, maiming Zadek's realist direction, and giving an overall impression that the production is still in rehearsal.

In contrast, Shakespeare is well-served by Jean-Michel Déprats's adaptation. The flowing, archaic

English vernacular is skilfully transposed into stylish modern French verbal imagery. Zadek embroiders onto this tightly woven material a host of visual tricks, gimmicks and gags. Some work well, as when the Provost beautifully milquies and punctuates a long and weighty speech with several attempts at lighting a cigar from a candle.

Against the gaudy peripheral colouring, François Marthouret's Duke and André Marcon's Angelo fade into the background, blown aside by the charismatic breezes that accompany Philippe Clévenot's every entrance as the streetwise, but foolish Lucio. Clévenot has a naturalness that brings Lucio alive. He invades the auditorium like a strolling player, making the audience his confidant.

Zadek's real coup, however, is luring Isabella Huppert away from

French and American cinema to play Isabella. She slips into the role with the titillating innocence of a young girl trying on her first grown-up party frock. Zadek brilliantly turns this imagery inside out by contriving to have Huppert's first moments on stage taken up with her stripping down to a diaphanous shift and putting on her novice's habit for the first time, then soaking a look at herself in a hand mirror.

Huppert perfectly captures Isabella's idealised love of her own purity. She goes on to impart her panic convincingly when Angelo uses it as the only negotiable currency with which to buy the life of her brother. Huppert then fights her way through the emotions, leaving no tear unshed, no anger unspoken, and Zadek's direction at last finds its true voice.

DIANE HILL

## NEW RELEASES

**AWAKENING** (12): Tender, heart-tugging tale of neurologist Robert Williams (Robin Williams) who awakes a comatose patient (Julia Roberts) after a decade. (12) Warner (071-680 6111).

**BLOOD OATH** (15): Largely monotonous, brooding story of a man who swears to avenge the death of his wife. (15) Warner (071-680 6111).

**COMING OUT** (15): Told from the point of view of a gay man, this is a story of love and friendship. (15) Warner (071-680 6111).

**THE ROAD HOME** (15): Hugh Hudson's touching, unpretentious problem movie about middle-class Americans in southern California. (15) Warner (071-680 6111).

**THE GODFATHER PART II** (15): Brooding finale to Francis Ford Coppola's Mafia saga, handily stepped out by the director. (15) Warner (071-680 6111).

**THE GODFATHER** (15): The first of two films in the series, this is a masterpiece of the genre. (15) Warner (071-680 6111).

**THE GODFATHER PART III** (15): The final film in the series, this is a masterpiece of the genre. (15) Warner (071-680 6111).

**THE GODFATHER PART IV** (15): The final film in the series, this is a masterpiece of the genre. (15) Warner (071-680 6111).

## THEATRE GUIDE

**Geoff Brown's assessment of films in London and where indicated with the symbol (L) on release across the country.**

**Shakespeare Avenue** (071-680 6111) Odéon  
Marble Arch (071-220 2011) Swansea  
St James's (071-220 2011) Swansea  
St James's (071-220 2011) Swansea  
St James's (071-220 2011) Swansea

**MR AND MRS BRIDGE** (PG): Excellent portrait of an upper-middle-class American marriage, from Evan S. Connors's novel. (PG) Warner (071-680 6111).

**THE NASTY GIRL** (PG): Provocative, funny portrait on Germany's Nazi past, with Jane Fonda as the girl uncensored by her mother. (PG) Warner (071-680 6111).

**THE NASTY GIRL** (PG): Provocative, funny portrait on Germany's Nazi past, with Jane Fonda as the girl uncensored by her mother. (PG) Warner (071-680 6111).

## WORD-WATCHING

Answers from page 28

**GLIDE**  
(a) A clearing or open area, obsc. but related to glide. "He clutched his shoulder, pointed at a glade/Where blue burst through with a serenity like violence."

**ACTION**  
(b) A stuffed jacket worn under a coat of mail, to prevent bracing and constriction, from the action of the cut. "But Crumhorn's lance, of more avail/Through shield, and jack, and action passed."

**TRACHELATE**  
(c) Having a neck, from the Greek trachelos with a neck. "Trachelate, when of itself it forms a neck, the prothorax being represented only by membrane."

**PETTICHAIRS**  
(d) Northern dialect for the garden or other warbler, presumably from petty + chair, but warblers have small chests? And how can you possibly tell? "The quantities of cherries and raspberries that the blackcap and pettichairs will eat are surprising."

## WINNING MOVE

By Raymond Kene, Chess Correspondent

Today's position is an endgame study by S. Lasker. Can you spot White's winning combination?

White to move. 1. e4 e5 2. f4 exf4 3. g5 f5 4. g6 f6 5. g7 f7 6. g8 f8 7. g9 f9 8. g10 f10 9. g11 f11 10. g12 f12 11. g13 f13 12. g14 f14 13. g15 f15 14. g16 f16 15. g17 f17 16. g18 f18 17. g19 f19 18. g20 f20 19. g21 f21 20. g22 f22 21. g23 f23 22. g24 f24 23. g25 f25 24. g26 f26 25. g27 f27 26. g28 f28 27. g29 f29 28. g30 f30 29. g31 f31 30. g32 f32 31. g33 f33 32. g34 f34 33. g35 f35 34. g36 f36 35. g37 f37 36. g38 f38 37. g39 f39 38. g40 f40 39. g41 f41 40. g42 f42 41. g43 f43 42. g44 f44 43. g45 f45 44. g46 f46 45. g47 f47 46. g48 f48 47. g49 f49 48. g50 f50 49. g51 f51 50. g52 f52 51. g53 f53 52. g54 f54 53. g55 f55 54. g56 f56 55. g57 f57 56. g58 f58 57. g59 f59 58. g60 f60 59. g61 f61 60. g62 f62 61. g63 f63 62. g64 f64 63. g65 f65 64. g66 f66 65. g67 f67 66. g68 f68 67. g69 f69 68. g70 f70 69. g71 f71 70. g72 f72 71. g73 f73 72. g74 f74 73. g75 f75 74. g76 f76 75. g77 f77 76. g78 f78 77. g79 f79 78. g80 f80 79. g81 f81 80. g82 f82 81. g83 f83 82. g84 f84 83. g85 f85 84. g86 f86 85. g87 f87 86. g88 f88 87. g89 f89 88. g90 f90 89. g91 f91 90. g92 f92 91. g93 f93 92. g94 f94 93. g95 f95 94. g96 f96 95. g97 f97 96. g98 f98 97. g99 f99 98. g100 f100 99. g101 f101 100. g102 f102 101. g103 f103 102. g104 f104 103. g105 f105 104. g106 f106 105. g107 f107 106. g108 f108 107. g109 f109 108. g110 f110 109. g111 f111 110. g112 f112 111. g113 f113 112. g114 f114 113. g115 f115 114. g116 f116 115. g117 f117 116. g118 f118 117. g119 f119 118. g120 f120 119. g121 f121 120. g122 f122 121. g123 f123 122. g124 f124 123. g125 f125 124. g126 f126 125. g127 f127 126. g128 f128 127. g129 f129 128. g130 f130 129. g131 f131 130. g132 f132 131. g133 f133 132. g134 f134 133. g135 f135 134. g136 f136 135. g137 f137 136. g138 f138 137. g139 f139 138. g140 f140 139. g141 f141 140. g142 f142 141. g143 f143 142. g144 f144 143. g145 f145 144. g146 f146 145. g147 f147 146. g148 f148 147. g149 f149 148. g150 f150 149. g151 f151 150. g152 f152 151. g153 f153 152. g154 f154 153. g155 f155 154. g156 f156 155. g157 f157 156. g158 f158 157. g159 f159 158. g160 f160 159. g161 f161 160. g162 f162 161. g163 f163 162. g164 f164 163. g165 f165 164. g166 f166 165. g167 f167 166. g168 f168 167. g169 f169 168. g170 f170 169. g171 f171 170. g172 f172 171. g173 f173 172. g174 f174 173. g175 f175 174. g176 f176 175. g177 f177 176. g178 f178 177. g179 f179 178. g180 f180 179. g181 f181 180. g182 f182 181. g183 f183 182. g184 f184 183. g185 f185 184. g186 f186 185. g187 f187 186. g188 f188 187. g189 f189 188. g190 f190 189. g191 f191 190. g192 f192 191. g193 f193 192. g194 f194 193. g195 f195 194. g196 f196 195. g197 f197 196. g198 f198 197. g199 f199 198. g200 f200 199. g201 f201 200. g202 f202 201. g203 f203 202. g204 f204 203. g205 f205 204. g206 f206 205. g207 f207 206. g208 f208 207. g209 f209 208. g210 f210 209. g211 f211 210. g212 f212 211. g213 f213 212. g214 f214 213. g215 f215 214. g216 f216 215. g217 f217 216. g218 f218 217. g219 f219 218. g220 f220 219. g221 f221 220. g222 f222 221. g223 f223 222. g224 f224 223. g225 f225 224. g226 f226 225. g227 f227 226. g228 f228 227. g229 f229 228. g230 f230 229. g231 f231 230. g232 f232 231. g233 f233 232. g234 f234 233. g235 f235 234. g236 f236 235. g237 f237 236. g238 f238 237. g239 f239 238. g240 f240 239. g241 f241 240. g242 f242 241. g243 f243 242. g244 f244 243. g245 f245 244. g246 f246 245. g247 f247 246. g248 f248 247. g249 f249 248. g250 f250 249. g251 f251 250. g252 f252 251. g253 f253 252. g254 f254 253. g255 f255 254. g256 f256 255. g257 f257 256. g258 f258 257. g259 f259 258. g260 f260 259. g261 f261 260. g262 f262 261. g263 f263 262. g264 f264 263. g265 f265 264. g266 f266 265. g267 f267 266. g268 f268 267. g269 f269 268. g270 f270 269. g271 f271 270. g272 f272 271. g273 f273 272. g274 f274 273. g275 f275 274. g276 f276 275. g277 f277 276. g278 f278 277. g279 f279 278. g280 f280 279. g281 f281 280. g282 f282 281. g283 f283 282. g284 f284 283. g285 f285 284. g286 f286 285. g287 f287 286. g288 f288 287. g289 f289 288. g290 f290 289. g291 f291 290. g292 f292 291. g293 f293 292. g294 f294 293. g295 f295 294. g296 f296 295. g297 f297 296. g298 f298 297. g299 f299 298. g300 f300 299. g301 f301 300. g302 f302 301. g303 f303 302. g304 f304 303. g305 f305 304. g306 f306 305. g307 f307 306. g308 f308 307. g309 f309 308. g310 f310 309. g311 f311 310. g312 f312 311. g313 f313 312. g314 f314 313. g315 f315 314. g316 f316 315. g317 f317 316. g318 f318 317. g319 f319 318. g320 f320 319. g321 f321 320. g322 f322 321. g323 f323 322. g324 f324 323. g325 f325 324. g326 f326 325. g327 f327 326. g328 f328 327. g329 f329 328. g330 f330 329. g331 f331 330. g332 f332 331. g333 f333 332. g334 f334 333. g335 f335 334. g336 f336 335. g337 f337 336. g338 f338 337. g339 f339 338. g340 f340 339. g341 f341 340. g342 f342 341. g343 f343 342. g344 f344 343. g345 f345 344. g346 f346 345. g347 f347 346. g348 f348 347. g349 f349 348. g350 f350 349. g351 f351 350. g352 f352 351. g353 f353 352. g354 f354 353. g355 f355 354. g356 f356 355. g357 f357 356. g358 f358 357. g359 f359 358. g360 f360 359. g361 f361 360. g362 f362 361. g363 f363 362. g364 f364 363. g365 f365 364. g366 f366 365. g367 f367 366. g368 f368 367. g369 f369 368. g370 f370 369. g371 f371 370. g372 f372 371. g373 f373 372. g374 f374 373. g375 f375 374. g376 f376 375. g377 f377 376. g378 f378 377. g379 f379 378. g380 f380 379. g381 f381 380. g382 f382 381. g383 f383 382. g384 f384 383. g385 f385 384. g386 f386 385. g387 f387 386. g388 f388 387. g389 f389 388. g390 f390 389. g391 f391 390. g392 f392 391. g393 f393 392. g394 f394 393. g395 f395 394. g396 f396 395. g397 f397 396. g398 f398 397. g399 f399 398. g400 f400 399. g401 f401 400. g402 f402 401. g403 f403 402. g404 f404 403. g405 f405 404. g406 f406 405. g407 f407 406. g408 f408 407. g409 f409 408. g410 f410 409. g411 f411 410. g412 f412 411. g413 f413 412. g414 f414 413. g415 f415 414. g416 f416 415. g417 f417 416. g418 f418 417. g419 f419 418. g420 f420 419. g421 f421 420. g422 f422 421. g423 f423 422. g424 f424 423. g425 f425 424. g426 f426 425. g427 f427 426. g428 f428 427. g429 f429 428. g430 f430 429. g431 f431 430. g432 f432 431. g433 f433 432. g434 f434 433. g435 f435 434. g436 f436 435. g437 f437 436. g438 f438 437. g439 f439 438. g440 f440 439. g441 f441 440. g442 f442 441. g443 f443 442. g444 f444 443. g445 f445 444. g446 f446 445. g447 f447 446. g448 f448 447. g449 f449 448. g450 f450 449. g451 f451 450. g452 f452 451. g453 f453 452. g454 f454 453. g455 f455 454. g456 f456 455. g457 f457 456. g458 f458 457. g459 f459 458. g460 f460 459. g461 f461 460. g462 f462 461. g463 f463 462. g464 f464 463. g465 f465 464. g466 f466 465. g467 f467 466. g468 f468 467. g469 f469 468. g470 f470 469. g471 f471 470. g472 f472 471. g473 f473 472. g474 f474 473. g475 f475 474. g476 f476 475. g477 f477 476. g478 f478 477. g479 f479 478. g480 f480 479. g481 f481 480. g482 f482 481. g483 f483 482. g484 f484 483. g485 f485 484. g486 f486 485. g487 f487 486. g488 f488 487. g489 f489 488. g490 f490 489. g491 f491 490. g492 f492 491. g493 f493 492. g494 f494 493. g495 f495 494. g496 f496 495. g497 f497 496. g498 f498 497. g499 f499 498. g500 f500 499. g501 f501 500. g502 f502 501. g503 f503 502. g504 f504 503. g505 f505 504. g506 f506 505. g507 f507 506. g508 f508 507. g509 f509 508. g510 f510 509. g511 f511 510. g512 f512 511. g513 f513 512. g514 f514 513. g515 f515 514. g516 f516 515. g517 f517 516. g518 f518 517. g519 f519 518. g520 f520 519. g521 f521 520. g522 f522 521. g523 f523 522. g524 f524 523. g525 f525 524. g526 f526 525. g527 f527 526. g528 f528 527. g529 f529 528. g530 f530 529. g531 f531 530. g532 f532 531. g533 f533 532. g534 f534 533. g535 f535 534. g536 f536 535. g537 f537 536. g538 f538 537. g539 f539 538. g540 f540 539. g541 f541 540. g542 f542 541. g543 f543 542. g544 f544 543. g545 f545 544. g546 f546 545. g547 f547 546. g548 f548 547. g549 f549 548. g550 f550 549. g551 f551 550. g552 f552 551. g553 f553 552. g554 f554 553. g555 f555



## BBC 1

- 8.00 **Celebs**  
8.30 **BBC Breakfast News**  
8.15 **Daytime UK**. Linked contributions from BBC centres across the country, starting with Killy, in which Robert Kilroy-Silk chairs a topical discussion.  
10.00 **News and weather**. 10.05 **Children's BBC** with Simon Parkin begins with Playdays (r) 10.25 **The Family Ness** (r) 10.35 **Going for Gold** presented by Henry Kelly (r)  
11.00 **News and weather**. 11.05 **People Today**. Magazine programme about the lives of people in Britain.  
12.00 **News and weather**. 12.05 **Happy Memories**. Cliff Michelson and Wendy Gibson invite viewers to recall their wartime memories.  
12.20 **Scene Today**. Live entertainment and interviews from the Pebble Mill foyer. 12.55 **Regional News and weather**.  
1.00 **One O'Clock News and weather**.  
1.30 **Neighbours**. (Casts) 1.50 **Going for Gold**.  
2.15 **Knox Landing**. Drama about the non residents of a Californian out-caste. Abby's (Donna Mills) make-up shows signs of cracking along with the layer of cement covering the playground at Lotus Point. Thriller. Directed by Peter Jackson.  
3.00 **King and Company**. Wildlife photographer Simon King is joined by David Essex on a visit to the Monarch Islands, the home of the elusive grey seal (r). (Casts)  
3.30 **Popeye Triple Bill**. 3.50 **Bodger and Badger**. Children's comedy series set in a school. 4.05 **Jimbo and the Jet Set** (r) 4.10 **Jackanory**. Peter Davison reads the first of a three-part story, *The Red Tree* written by William Stead. 4.25 **The Chipmunks**. 4.35 **Peppercorn and Co.**  
5.00 **Newsround**. 5.10 **Dodgeman**. Episode five of the six-part drama about children in care. (Casts)  
5.25 **Neighbours** (r). (Casts) Northern Ireland. Sportsweek. 5.40 **Inside Life**.  
6.00 **Six O'Clock News** with Anna Ford and Laurie Meyer. Weather. 6.30 **Regional News**. Northern Ireland. Neighbours.  
7.00 **Wogan**. The moment most of us have been dreading has finally arrived. Tony presents the first two entries in this year's contest for *A Song For Europe*.  
7.25 **Dogma House MD**. More comic adventures with the boy doctor. (Casts)  
8.00 **Over My Dead Body**. Separation is Murder. Edward Woodward stars in this taut crime series as the San Francisco-based writer turned detective. In this last adventure, he becomes concerned for the safety of his journalist friend Nicky (Jessica Lucas) when she investigates the disappearance of a financial consultant. (Casts)  
8.45 **Points of View** presented by Anne Robinson.  
9.00 **Nine O'Clock News** with Michael Buerk. (Casts) Regional news and weather.  
9.30 **Budget 91**. A statement for the Opposition by the shadow chancellor, John Smith, MP.

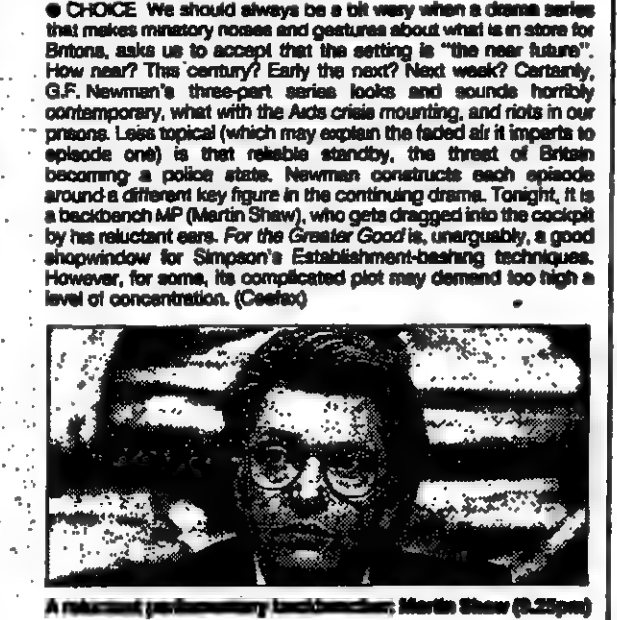


One small step for a plucky lad: Emmett de Montigny (8.40pm)

- 8.40 **QED: On His Own Two Feet**.  
© CHOICE: If life always imitated art and everyone lived happily ever after, there would have been no need for the 12-year-old London lad with cerebral palsy, who underwent complex surgery to help him walk normally. The last time we saw Emmett, there was a small step towards his dream of walking. Now, he has taken a big step. And neither had the publicity led to a film that gave him a year's film inspiration, and this is also the keynote of the sequel which shows what happened when the teenager had further distressing surgery in the United States and became the wonder boy of American television ("It must be nice," drooled the home commentator, "having your own television crew, following you around for a year"). The full story of Emmett de Montigny has not yet been told. In fact, as Anthony Cleary, tonight's narrator says, perhaps the best part is only just beginning.  
10.10 **Sportsnight**. Steve Rider introduces highlights of the second leg matches in the European club competitions quarter-finals including the clash between Marseille and AC Milan, as the French club hope to build on their first 1-1 draw at Milan in the first leg. The programme also features a profile of Jack Charlton, who will be taking John Motson to present next week's all-important European Championship match between England and the Republic of Ireland 11.50 **Weather**.

## BBC 2

- 6.45 **Open University**. Social Science Foundation Course - Reading the Landscape. Ends at 7.35.  
8.00 **News**.  
8.15 **Westminster**. A round-up of yesterday's business from both houses.  
9.00 **Daytime on Two**. A tour of Otley Hall. 9.05 **Together**. 9.20 **Maths** adventures for seven to nine-year-olds. 9.45 **Science** series aimed at five and six-year-olds. 10.00 **You and Me**. 10.15 **Search** out science. 10.40 **Around Scotland**. 11.00 **Learning to read** series. 11.15 **English Time**. 11.35 **Teaching Today**. 12.10 **Science in Action**. 12.30 **Lifeline**. 12.55 **Everyday** matter made simple for adults. 1.20 **Pe in the Sky**. 1.40 **Zig Zag**.  
2.00 **News and weather** followed by **You and Me** (r) 2.15 **Craftman**. Philip Ledger investigates the harpichord's enduring popularity (r) 2.35 **Country File**. Many people are concerned about the effects of stress in the food chain, while others feel that much of what is reported is scare-mongering. John Craven examines the two sides to the argument (r).  
3.00 **News and weather** followed by **Westminster Live**. 3.50 **News**, regional news and weather.  
4.00 **Catchword**. Word quiz hosted by Paul Cole.  
4.30 **Phindor**. Julien Jacot narrated by BBC archives unearthing the vintage Maca Book, and footage of St Bernard's dog rampaging through Blue Peter, plain other catwalk. Presented by Emma Freud.  
5.00 **News headlines** followed by **Advice Shop**. When the Department of Social Security says, what course of action can be taken? Social Security Appeals present a case study and advice for the needy. 5.20 **Country File**. Geoff Hamilton and the team get creative with birds and borders and give helpful hints on houseplants in the week's programme (r).  
6.00 **Star Trek: The Next Generation**. Picard is privy to subversive plans that threaten to undermine Starfleet's highest ranks, and he must now question the loyalty of an old buddy, Admiral Crane. Tension heightens when Captain Kirk's vessel is destroyed, and Picard is left to steer the Enterprise, and the action, into outer territory. (Casts)  
6.50 **DEF II** begins with **Reportage**. Snappy current affairs presentation from Annalisa Form in Manchester, exploring young people and mental health. 7.40 **Rapido**. Antoine de Caunes confronts women, sex and pop chart success. 8.00 **Antenna**. A revelation that hot ice - frozen methane - may well revolutionise conventional fuel production methods, and have beneficial effects on the extent of the Earth's fuel supplies in the future. Plus a look at the potential of earthworms and other underground life-forms, and Nobel Prize winner, Dr Bernard Lown, discusses medicine and healing.  
9.00 **M\*A\*S\*H**. Hawkeye's patient is Patrick Swayze, making an appearance as a wounded soldier whose offer to donate blood to save a badly-injured friend is rejected because of his own illness (r).  
9.25 **For The Greater Good**. Minitel.



A reluctant parliamentary junkie: John Smith (8.30pm)

- 10.25 **Budget 1991**. John Smith, MP, shadow chancellor, responds to the Budget on behalf of the Opposition.  
10.35 **Newsnight** presented by Peter Robinson.  
11.30 **The Late Show**. Arts and media magazine.  
12.05am **Open University**. Literature in the Modern World. Samuel Beckett's *Endgame*. Ends at 1.00.

## ITV

- 6.00 **TV-am**.  
6.25 **Lucky Luckers**. Word association game. 9.55 **Thames News** and weather.  
10.00 **The Time ... The Place ...** with John Stapleton.  
10.40 **This Morning**. Magazine series on family matters.  
12.10 **Alerts**. For the young.  
12.30 **News** with John Suckett. Weather. 1.10 **Thames News** and weather.  
1.20 **Home and Away**. 1.50 **A Country Practice**.  
2.20 **The High Road**. Scottish soap set in the Highlands. 2.50 **Jumble**. Jeff Stevenson hosts the cryptic cartoon quiz with celebrity contestants Tim Brooke-Taylor and Fethi Brown.  
3.15 **ITN News** headlines. 3.20 **Thames News** headlines. 3.25 **The Young Doctors**. Australian medical drama series.  
3.55 **Woff Comedy** about a young boy who periodically turns into a dog. (Casts) 4.25 **Garfield and Friends**. 5.00 **Warner Brothers Cartoons**.  
5.10 **Blockbusters**. Bob Holmes hosts the quiz for teenagers.  
5.40 **News** with Carol Barnes. (Casts) Weather.  
5.55 **Thames Help**. Jackie Sprackley with details of the west London housing action centre.  
6.00 **Home and Away** (r).  
6.30 **Thames News** and weather.  
7.00 **This is Your Life**. Michael Aspel gives another worthy surprise of his/her life when he hands over the famous red book.  
7.30 **Coronation Street**. (Casts)  
8.00 **Inspector Morse**. Greeks Bearing Gifts. John Thaw stars as the opera and real sleuthing detective based in Oxford. Masters Greek are to the fore when the chief of Sgt Lewis's (Kevin Whately) favourite Greek restaurant is murdered and Morse sees a connection with the Greek classics with which he is more familiar. Also entangled in the intrigue are the Greek navy and television personality Friday Rees, played by Jan Harvey from *Howards' Way*. (Casts)  
10.00 **News** at Ten with Trevor McDonald and Julie Somerville. (Casts).  
10.30 **Thames News** and weather.  
10.40 **Budget 91**. The shadow chancellor, John Smith, MP with his response to Norman Lamont's Budget.

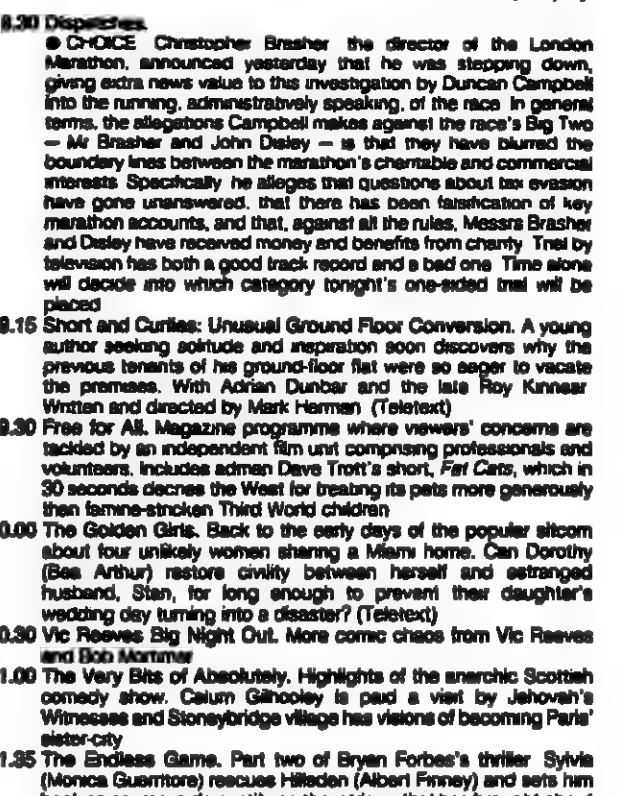


With the people of the Marquesas: John Hamman (10.50pm)

- 10.50 **Compass: The Land of Man**.  
© CHOICE: Ernest, his celebrated near-namaste, could have been called on to find more dynamic words to describe the quest for the Polynesian islands, looking for paradise on earth, is the subject matter of Ken Grieve's visually ravishing film. "Am I here at the right time to find paradise?" he asks a Norwegian anthropologist. "No," comes the deflating reply, "you should have come here 200 years ago, preferably with Captain Cook." The ill-fated captain failed to find a new Eden in the South Seas. So did Grieve and Hamman. Does John Hamman have better luck? Seemingly, only after a perilous journey to the Marquesas Islands, despite the arrival of video recorders, a telephoto lens, and a clock that the shopkeeper says was Gauguin's though it turns out to be an old school clock someone had bought in Milwaukee.  
11.50 **Thames Soccer Special**. Highlights of this evening's first division games between Wolves and Nottingham Forest at Highbury. With commentary by Alan Parry and an interview with England manager Graham Taylor.  
12.30 **Film: 11 Harrowhouse** (1974). Enjoyable comic diamond heist caper with an impressive cast including James Mason, John Gielgud, Candice Bergen and Trevor Howard. The title is the address of Consolidated Jewelling System, a clearing house for diamonds which an American Jeweler (Charles Grodin) is trying to rob. Directed by Aram Avakian.  
2.15 **Vision**. Beauty secrets from hair and make-up specialists.  
2.40 **America's Top Ten** introduced by Tommy Puett.  
3.10 **Quiz Night**. The pub and club quiz game.  
3.40 **The Channon & Ball Video Show**. Soccer nostalgia with Mick Channon and Alan Ball.  
4.40 **Fifty Years On**. A look back to the newsreels of March 1941.  
5.00 **Newsline**. Country music with special guest Margo Smith (r).  
5.30 **ITN Morning News** with Brenda Rowe. Ends at 6.00.

## CHANNEL 4

- 6.00 **The Channel Four Daily** including regular news headlines and *The Art of Landscape*.  
9.25 **Schools**.  
12.00 **The Parliament Programme** presented by Sue Cameron.  
12.30 **Business Daily** with Susannah Simons.  
1.00 **Sesame Street**. Pre-school children's educational entertainment.  
2.00 **Film: Wehsh Avenue** (1950). Fully musical starring the never-changing Betty Grable. Two rival trucksters (Victor Mature and Phil Harris) stage a theatrical showdown to win the favour of an entertainer, Ruby Summers, in this unnecessary remake of Grable's earlier hit *Conny Island*. Directed by Henry Kostar.  
3.45 **An Artist Looks at Churches**. A British Radio documentary in which artist John Piper explores England's religious architecture (r).  
4.00 **Not Pots**. The final programme in this series looking at traditional arts and crafts focuses on the world of professional knitting (r).  
4.30 **Countdown**. Words and numbers quiz hosted by Richard Whitley.  
5.00 **The Adventures of Tintin**. Episode two of *Shooting Star* (r).  
5.05 **The Oprah Winfrey Show**. Oprah Winfrey chats to Sally Field about her new movie *Not Without My Daughter*.  
6.00 **A Different World**. A fourth season of the award-winning *Cosby* Show spin-off about the trials and tribulations of life at Hillman College.  
6.30 **Tonight With Jonathan Ross**. The guests include author Jim O'Connor. Music is provided by Womack and Womack.  
7.00 **Channel 4 News** with Jon Snow and Zennaro Badawi. (Teletext).  
7.50 **Party**. Political Comment from a Liberal Democrat politician. Followed by **Weather**.  
8.00 **Brookside**. (Teletext).



Marathon organisers: John Delaney, Christopher Brasher (8.30pm)

- 8.30 **Dispatches**.  
© CHOICE: Christopher Brasher the director of the London Marathon, announced yesterday that he was stopping down giving extra news value to this investigation by Duncan Campbell into the running, administratively speaking, of the race in general terms, the allegations Campbell makes against the race's Big Two - Mr Brasher and John Delaney - is that they have blurred the boundary lines between the marathon's charitable and commercial interests. Specifically he alleges that questions about his evasion have gone unanswered, that there has been falsification of key marathon accounts, and that, against all the rules, Messrs Brasher and Delaney have received money and benefits from charity. Time alone will decide on which category tonight's one-sided trial will be placed.  
9.15 **Short and Curious: Unusual Ground Floor Conversion**. A young author seeking solitude and inspiration soon discovers why the previous tenants of his ground-floor flat were so eager to vacate the premises. With Adrian Dunbar and the late Roy Kinnear. Written and directed by Mark Herman. (Teletext).  
9.30 **Newsnight**. The programme's editorial concerns are tackled by an independent film unit comprising professionals and volunteers. Includes adman Dave Trotter's short, *Far Cars*, which in 30 seconds decodes the West for treating its people more generously than fame-stricken Third World children.  
10.00 **The Golden Girls**. Back to the early days of the popular sitcom about four unlikely women sharing a Miami home. Can Dorothy (Bea Arthur) resist civility between herself and estranged husband, Stan, for long enough to prevent their daughter's wedding day turning into a disaster? (Teletext).  
10.30 **Vic Reeves Big Night Out**. More comic chaos from Vic Reeves and Bob Mortimer.  
11.00 **The Very Bits of Absolutely**. Highlights of the anarchic Scottish comedy show. Culum Galloway is paid a visit by Jehovah's Witnesses and Strathclyde village has visions of becoming Paris' sister city.  
11.35 **The Endless Game**. Part two of Bryan Forbes' thriller *Sylvia* (Monica Vornoff) rescues Hilson (Albert Finney) and sets him back on course in demystifying the intrigue that has brought about the demise of his former lover. With Ian Holm, Sir Anthony Quayle and Noreen Newman (r).  
12.55am **Public Face: Private Eye** - Keep Things As They Are. Ian Braxton, painter and artist, relives his Cambridge days of the early Eighties when he was artist-in-residence at King's College. Ends at 1.40.

- ANGLIA**  
As London except: 8.25pm-7.00 **Anglia News**. 11.00 **The Evening**. 12.00pm **Anglia**. 1.30 **Out**. 1.50 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star**. 8.30 **Star**. 9.00 **Star**. 9.30 **Star**. 10.00 **Star**. 10.30 **Star**. 11.00 **Star**. 11.30 **Star**. 12.00 **Star**. 12.30 **Star**. 1.00 **Star**. 1.30 **Star**. 2.00 **Star**. 2.30 **Star**. 3.00 **Star**. 3.30 **Star**. 4.00 **Star**. 4.30 **Star**. 5.00 **Star**. 5.30 **Star**. 6.00 **Star**. 6.30 **Star**. 7.00 **Star**. 7.30 **Star**. 8.00 **Star</**











# Output forecast to fall 2% this year

The Chancellor said output this year would be 2 per cent lower than last, after a painful but necessary period of retrenchment. Recovery could begin in the middle of this year. Inflation is forecast to fall to 4 per cent by year end.

The following are the main points made in the *Financial Statement and Budget Report* (FSBR or Red Book) on the outlook for the economy.

## Summary

Retail price inflation has fallen from its peak last autumn 1990 to 4 per cent in the fourth quarter, and to 3½ per cent by mid-1992.

GDP fell in the second half of 1990, with weakening domestic demand, and is likely to continue to fall in the first half of 1991. Activity should recover in the second half of the year, though in 1991 as a whole GDP is forecast to be 2 per cent lower than in 1990. The recovery is likely to gather pace in 1992.

Unemployment has risen sharply since the autumn, reflecting the weakness of activity. With the prospect of a further fall in activity in the first half of 1991, unemployment may continue rising this year, though at a slower rate than recently.

Sterling entered the Exchange Rate Mechanism (ERM) on October 8. Since then the sterling index has been within a narrow range around 94. Over the same period interest rates have fallen. Monetary growth fell in the second half of last year, and M0 is well within its target range. The public sector is estimated to have been in broad balance in 1990-91 and a public sector borrowing requirement of £8 billion is forecast for 1991-1992, largely as a result of the weakness of activity.

The world economy was slowing even before the Gulf crisis and the associated rise in oil prices. Oil prices have now fallen back, and are assumed in this forecast to stay close to recent levels. Growth in the major seven economies is expected to fall to 1½ per cent in 1991, the lowest rate since 1982. With slower growth and lower oil prices, inflation is likely to edge down.

Average errors from past forecasts provide a rough guide to possible margins of error on the new forecasts, and should be borne in mind when interpreting and assessing the forecasts. On this occasion there is added uncertainty about the effects of the Gulf war.

## UK demand and output

After signs of seemingly renewed vigour early in 1990, domestic demand fell through

the final six months as persons and businesses cut their spending. These developments tipped the economy into recession, with GDP falling 1½ per cent between the first and second halves of 1990. Even so, GDP rose ½ per cent in the year as a whole.

Domestic demand is forecast to go on falling in the early months of 1991, but at a slower rate than in late 1990. While it is always difficult to predict turning points, a recovery is forecast from around the middle of the year. It could be slow initially, and domestic demand may fall by 2½ per cent in 1991 as a whole. Over the same period GDP is forecast to fall by 2 per cent. The recovery is expected to gather pace next year, with both domestic demand and GDP forecast to rise by over 2 per cent in the year to the first half of 1992.

The initial source of the recovery is likely to be a revival of consumer confidence in response to falling inflation and lower interest rates. This will stimulate both consumer spending and activity in the housing market. There should also be a contribution from stocks - slower de-stocking in the first instance - but other business spending may not pick up until 1992. Export growth too should begin to pick up later this year with the recovery in the US and other major countries.

The fall in GDP in the second half of 1990 was spread across most sectors. Manufacturing output, which is usually more cyclical than GDP, fell by 5 per cent between March and December 1990, and by ½ per cent in the year as a whole. Output of the services and construction sectors of the economy, both of which enjoyed very rapid growth during the late 1980s, fell by nearly one per cent in the second half of last year. Manufacturing output is expected to fall by five per cent in 1991, though growth is projected to pick up during the year, and into 1992.

## Domestic expenditure

Consumer spending fell by 1½ per cent in the second half of 1990. The fall occurred despite continued strong growth in real personal disposable incomes, and the personal saving ratio picked up quite sharply to nearly 11 per cent. The personal sector is clearly adjusting to the combination of tight monetary policy over

the last two years and increased debt servicing needs following substantial borrowing during the late 1980s. The weakness of the housing market last year also probably contributed to consumers cutting back on their spending. The ratio of personal sector wealth (including housing) to income fell back in 1990 after extremely rapid growth in the late 1980s.

## Trade and the current balance of payments

The current account is estimated to have been in deficit by £13 billion in 1990, down from £20 billion in 1989. The visible deficit fell sharply through the year as imports responded to weak domestic demand. By the fourth quarter, the manufacturers' deficit was around 1 per cent of GDP, the lowest since 1985. Estimates of the invisible surplus for 1990 have been revised upwards substantially. They now suggest a rise in the surplus between 1989 and 1990, and a particularly buoyant performance in the second half of last year.

UK relative unit labour costs in manufacturing rose during 1990, as the exchange rate firmed and UK unit labour costs rose more rapidly than those in other major industrial countries. Nevertheless, the level of relative unit labour costs against ERM countries remains lower than on average in the 1980s, and close to the average over the past 25 years. UK unit labour cost growth is expected to fall substantially as earnings growth slows and productivity recovers with activity. By the first half of 1992 it is expected to be similar to that in other major countries.

The volume of exports of manufacturers rose by 7½ per cent in 1990, following growth of 10½ per cent in 1989, and the UK volume share of world trade in manufacturers rose for the second year running. Exports of passenger cars were particularly strong, up 20 per cent in 1990 as a whole. Export growth has, however, eased in recent months as the world economy has slowed. With a further slowdown in world trade in prospect, and the somewhat higher level of the real exchange rate, exports are forecast to grow only slowly in 1991. However, they pick up as world trade growth recovers; by the first half of 1992, the volume of exports of manufacturers is forecast to be

4 per cent higher than a year earlier. The UK's share of world trade in manufacturers is forecast to be close to the average level of the last three years.

Following a rise early in 1990, non-oil import volumes fell steadily through the rest of the year, and by the fourth quarter were a little lower than a year earlier. There were particularly sharp falls in imports of passenger cars and capital goods, as consumers and companies cut back their expenditure. Non-oil import volumes are forecast to fall by 2½ per cent in 1991, reflecting the forecast of domestic demand. Import volumes are likely to pick up more rapidly than domestic demand as the economy recovers in the first half of 1992. This implies a continuation of the historical upward trend in import penetration, which all industrialised economies have experienced, reflecting increasing openness of the world economy.

Current account adjustment over the past year has also been helped by a rise in the non-oil terms of trade, as sterling import prices fell sharply in response to the firmer exchange rate. Sterling export prices also fell through the year, though by less, as companies reduced export margins to try to maintain their export market share in the face of falling domestic demand.

North Sea oil production in 1990 was about the same as in 1989, but considerably lower than forecast in the 1990

## Financial Statement and Budget Report 1991-92

	% change 1990-1991	Avg. error from past
<b>A. GDP and domestic demand at constant prices</b>		
Domestic demand of which:	-2½	1½
Consumers' expenditure	-1½	1½
General government consumption	1½	1
Fixed investment	-8½	3
Change in stockholding as % level of GDP	-4	½
Exports of goods and services	-1½	1½
Imports of goods and services	-1½	2½
GDP (average measure)	-2	1
Non-North Sea GDP	-2	1
Manufacturing output	-5	1½
<b>B. Inflation</b>		
Retail prices index (Q4 to Q4)	4	1½
GDP deflator at mkt prices (fml yr)	7	½
<b>C. Money GDP at mkt prices</b>		
Financial year 1990 £bn	6	
Forecast 1991 £bn	580	1½
<b>D. PSBR</b>		
Financial year 1990 £bn (% of GDP)	-1 (¼%)	
Forecast 1991 £bn (% of GDP)	8 (1¼%)	8% (1%)

<sup>1</sup> Average absolute errors over the previous 10 years. <sup>2</sup> Estimates of money GDP and the GDP deflator for period before the second quarter of 1990 have been adjusted to remove the discontinuity arising from the abolition of domestic rates.

4 per cent higher than a year earlier. The UK's share of world trade in manufacturers is forecast to be close to the average level of the last three years.

Following a rise early in 1990, non-oil import volumes fell steadily through the rest of the year, and by the fourth quarter were a little lower than a year earlier. There were particularly sharp falls in imports of passenger cars and capital goods, as consumers and companies cut back their expenditure. Non-oil import volumes are forecast to fall by 2½ per cent in 1991, reflecting the forecast of domestic demand. Import volumes are likely to pick up more rapidly than domestic demand as the economy recovers in the first half of 1992. This implies a continuation of the historical upward trend in import penetration, which all industrialised economies have experienced, reflecting increasing openness of the world economy.

Current account adjustment over the past year has also been helped by a rise in the non-oil terms of trade, as sterling import prices fell sharply in response to the firmer exchange rate. Sterling export prices also fell through the year, though by less, as companies reduced export margins to try to maintain their export market share in the face of falling domestic demand.

North Sea oil production in 1990 was about the same as in 1989, but considerably lower than forecast in the 1990

interest payments overseas. The services surplus is likely to begin to recover during 1991, but not sufficiently to prevent a further fall in the surplus over the year. However, the transfers balance should benefit substantially from a rebate of EC contributions and from financial contributions by other governments to the UK's Gulf expenditure.

The rise in the exchange rate during 1990, particularly against the dollar, and the fall in world stock markets, contributed to an estimated fall in the sterling value of identified net overseas assets to £41 billion at the end of 1990, compared with £103 billion a year earlier. This reduction followed substantial increases, reflecting large capital gains, in the previous two years.

The recent revival of the dollar and world stock markets will have partly reversed this fall. The difficulties in measuring certain capital flows (reflected in the balancing item in the overseas account) and in valuing direct investments mean, however, that estimates of net overseas assets are subject to wide margins of error.

## Current account

The current account deficit is forecast to fall from £13 billion (2½ per cent of GDP) in 1990 to £6 billion (1 per cent) in 1991. This mainly reflects a further fall in the deficit on trade in manufactures as a result of lower domestic demand.

Over the three years to 1989 the private sector (persons and companies) ran increasingly large financial deficits, with spending rising faster than income. The deterioration in its financial position was without precedent in the last seventy years, and had its counterpart in a worsening current account deficit. With private sector income forecast to rise faster than spending, the private sector financial balance is expected to return to its traditional surplus in 1991 and early 1992. This is reflected in a smaller current account deficit. Within the private sector, both persons and companies are expected to improve their position, with persons increasing their surplus and companies reducing their deficit.

## Inflation

Producer output price inflation (excluding food, drink, and tobacco) was 6½ per cent in February, ½ per cent higher

than its rate through the summer. This recent pick-up in inflation is surprising. It may reflect efforts by producers to defend their profit margins. Margins have been under pressure for some time from the recession and rising costs, especially labour costs.

Retail price inflation has fallen sharply in recent months, from almost 11 per cent in October to 9 per cent in January. This partly reflects reduced mortgage interest rates in November, 1990, and the effects of the mortgage rate rise of November, 1989, dropping out of the 12-month comparison. Petrol prices have also declined as world oil prices have fallen back from their peak in October. But even allowing for these factors, retail price inflation has slowed in response to weak consumer demand and a sharp reduction in food price inflation as supply conditions have improved after the drought of 1989.

Provisional CBI data show a marked fall in pay settlements in manufacturing to 8½ per cent in the first quarter of 1991, from around 9 per cent in the previous three quarters. In addition, an increasing number of firms have reached agreements which provide either for no increase in pay or defer any increase until later in the year. Whole economy underlying earnings growth fell to 9½ per cent in January from a peak rate of 10½ per cent in July, as overtime and bonus payments fell in response to the slowdown in activity.

Unit labour cost growth in manufacturing is likely to slow sharply through 1991 and beyond, principally as productivity growth rebounds with the recovery in activity. Earnings growth is also expected to moderate as settlements respond to falling inflation and companies further reduce overtime and bonuses. The CBI's Survey of Manufacturers in February suggests that underlying inflationary pressures are abating rapidly. The balance of firms expecting to increase prices in the immediate months ahead was at its lowest ever level.

With manufacturing output likely to fall further for a while, the recent pick-up in producer output price inflation is unlikely to be maintained. It is expected to fall to 4½ per cent in the fourth quarter of 1991, declining further to 4 per cent by mid-1992.

Weak consumer demand will exert strong downward pressure on retail price inflation throughout 1991. Recent cuts in mortgage rates, the mortgage rate rise of March 1990 dropping out of the twelve month comparison, and the net impact of the Budget measures will also contribute to sharply falling inflation. RPI inflation is forecast to be 4 per cent in the fourth quarter of 1991 and 3½ per cent by the middle of 1992.

The GDP deflator, which measures the price of domes-

tic value added (principally unit labour costs and profits per unit of output), is forecast to rise by 7½ per cent in 1990-91, boosted by the rise in oil prices and the improvement in the terms of trade. The increase in VAT in the Budget adds about 1 per cent to the GDP deflator. Even so the growth in the deflator is expected to fall to 7 per cent in 1991-92.

## Financial developments

For most of the period since the UK joined the ERM sterling has traded in a relatively narrow range. The sterling effective index remains close to its level just before ERM entry. Short-term interest rates, which were reduced by 1 percentage point at the time of ERM entry, have since fallen further. Long rates have also fallen back since the early autumn, by over 1 percentage point, in part reflecting growing confidence about the prospects for low inflation.

The year on year growth rate of M0 has fallen from 7½ per cent last spring to around the centre of its target range in early 1991. Broad money growth began to fall in early 1990 from a peak of around 13 per cent. By January the annual growth of M4 was down to 11 per cent. Bank and building society lending had begun to respond to tight monetary policy earlier, as high interest rates reduced lending for house purchase. During 1990 the decline in the growth of credit gathered pace, as industrial and commercial companies' also cut back sharply through 1991 and beyond, principally as productivity growth rebounds with the recovery in activity. Earnings growth is also expected to moderate as settlements respond to falling inflation and companies further reduce overtime and bonuses. The CBI's Survey of Manufacturers in February suggests that underlying inflationary pressures are abating rapidly. The balance of firms expecting to increase prices in the immediate months ahead was at its lowest ever level.

With manufacturing output likely to fall further for a while, the recent pick-up in producer output price inflation is unlikely to be maintained. It is expected to fall to 4½ per cent in the fourth quarter of 1991, declining further to 4 per cent by mid-1992.

## Forecast and outlook

Errors on the forecasts of demand, activity and the current account were within, in some cases well within, the average errors from past forecasts. GDP growth was a little less than forecast. Domestic demand was stronger, reflecting unexpected resilience in the first half of the year, but net exports were weaker than forecast. The error on inflation was bigger than average, largely due to a slower than usual response of underlying inflation to the fall in demand, but also because of the effect of the Gulf crisis on petrol prices. The public sector debt repayment is likely to be well below last year's Budget forecast, with large errors on both the income and expenditure sides of the account.

# Slowdown means borrowing of £8bn in 1991-92

The Chancellor forecast a 'temporary re-emergence' of the public sector borrowing requirement, owing to lower economic activity. Public borrowing of £8 billion is predicted for the next financial year.

Edited extracts from the Red Book report on the government's financial strategy.

THE central objective of the government's macro-economic policy continues to be the defeat of inflation. Low inflation is an essential pre-condition for healthy economic performance and the success of other policies aimed at improving the flexibility and efficiency of markets.

## Policy Framework

The United Kingdom joined the exchange-rate mechanism of the European Monetary System on October 8, 1990, with wide (6 per cent) bands around sterling's central rates against other participating currencies. Interest rates remain the essential instrument of monetary policy, but now the overriding factor in setting them is the need to meet the UK's ERM obligations.

Sustaining sterling's position within the ERM bands will secure lower inflation in the UK. The operation of the ERM encourages convergence on low rates of inflation. All members are committed to low inflation, and those countries with the lowest inflation effectively set the pace for the others. Monetary policy has to be relatively tight in countries with above average rates of inflation and relatively weak currencies. Thus the UK's inflation rate can be expected to move progressively into line with the best inflation

performance elsewhere in the ERM.

The speed at which inflation falls will depend on the stance of policy both in the UK and elsewhere in Europe and on the pace at which markets adjust to the new monetary policy framework. Employers and employees will need to take account of wage settlements in other countries within the ERM. The quicker the growth of labour costs moderates, the sooner the UK will be able to combine low inflation with a satisfactory rate of growth of output.

ERM membership does not change the need to support monetary policy with a firm fiscal stance. The government will continue to aim for a balanced budget over the medium term, while permitting some fluctuation in the PSBR over the cycle.

The following sections explain the government's approach to monetary and fiscal policy within the ERM, and set out fiscal projections over the medium term based on illustrative paths for money GDP, real output, and inflation.

## Monetary Policy

Membership of the ERM sets a new framework for monetary policy. Interest rate decisions must now be set consistently with keeping sterling within its announced bands. This commitment is accordingly a constraint on the relationship between UK

interest rates and those in other ERM countries. Interest rate convergence will follow inflation convergence. Both are likely to take some time to achieve.

Like all the other larger countries within the ERM, the government will continue to set a monetary target and take account of a range of other indicators of domestic monetary conditions. This approach helps to ensure that the ERM as a whole has a firm nominal anchor.

There may be occasions when tensions arise between domestic conditions and ERM obligations, with domestic conditions pointing to interest rate levels either higher or lower than those indicated by ERM obligations. But such occasions are expected to be the exception rather than the rule and to be relatively short-lived. The experience of other ERM countries suggests that external and domestic considerations will more often point in the same direction. Any loss of discretion to respond to domestic monetary conditions is likely to be more than compensated for by the improved market confidence and reduced inflationary expectations that the ERM commitment is bringing about.

Narrow money (M0) has been a reliable indicator of monetary conditions, picking up both the unexpectedly buoyant demand conditions in the first half of 1990 and the

## Public sector borrowing requirement

	'89-'90	'90-'91	'91-'92	'92-'93	'93-'94
General government expenditure excluding privatisation proceeds	40	40½	41½	41½	40½
General government receipts	39	39½	40½	40½	39½
General government receipts	40½	40½	39	38½	39
Cumulative fiscal adjustment	-	-	-	0	½
Public corporations market and overseas borrowing	-½	0	0	0	0
PSBR	-1½	-½	1½	2	1

Money GDP at market prices (£bn)

508.9 547 580 624 668

<sup>1</sup> Rounded to the nearest ½ per cent of GDP. <sup>2</sup> Rounded to nearest £1 billion from 1990-91 onwards, and adjusted in 1989-90 to remove the discontinuity caused by the abolition of domestic rates.

	% change on previous financial year	1990-91	1991-92	1992-93	1993-94	1994-95
Money GDP	7½	6	7½	7	6½	6
Real GDP: Non North Sea	-½	-1	2½	3	3	3
Total	-½	-1	3	3½	3½	3
Inflation: GDP deflator	7½	7	4½	3½	3	3

<sup>1</sup> Percentage change on previous financial year: forecast for 1991-92 and assumptions thereafter. <sup>2</sup> Figures for money GDP growth and the GDP deflator adjusted for distribution arising from the abolition of domestic rates. <sup>3</sup> Assumed increase in VAT rate about 1 per cent to money GDP and the GDP deflator in 1991-92.

## Fiscal policy and projections

The public finances have now returned close to balance following the surpluses enjoyed since 1987-88. For 1990-91, a net repayment of £4 billion is now expected, compared with £8 billion in 1989-90. This reduction reflects the fall in output: non-North Sea output is now expected to have fallen by ½ per cent between 1989-90 and 1990-91.

The government's objective is to balance the budget over the medium term. This is a clear and simple rule which ensures that a prudent fiscal policy supports monetary policy in the fight against inflation. It implies that the ratio of net public debt to GDP, and hence the burden of debt interest payments, will continue on a downward trend, and also provides scope for the burden of taxation to fall over the medium term as public expenditure declines as a share of GDP.

Cyclical variations in public sector borrowing and debt repayment are consistent with this medium-term approach to fiscal policy. The operation

able to justify reintroducing a target for it. But the government will continue to monitor M4 and the other broad aggregates carefully.

Over the past year, the government has continued to follow the "fall fund" rule. With the reduction in the PSBR in 1990-91, funding was resumed towards the end of the financial year. The £8 billion PSBR forecast for 1991-92, together with gilt-edged redemptions of over £6 billion falling due in the year, will involve a return to gilt sales on a larger scale than for the past three years.

## Fiscal policy and projections

The public finances have now returned close to balance following the surpluses enjoyed since 1987-88. For 1990-91, a net repayment of £4 billion is now expected, compared with £8 billion in 1989-90. This reduction reflects the fall in output: non-North Sea output is now expected to have fallen by ½ per cent between 1989-90 and 1990-91.

The government's objective is to balance the budget over the medium term. This is a clear and simple rule which ensures that a prudent fiscal policy supports monetary policy in the fight against inflation. It implies that the ratio of net public debt to GDP, and hence the burden of debt interest payments, will continue on a downward trend, and also provides scope for the burden of taxation to fall over the medium term as public expenditure declines as a share of GDP.

Cyclical variations in public sector borrowing and debt repayment are consistent with this medium-term approach to fiscal policy. The operation

of the "automatic stabilisers" implies a borrowing requirement at low points in the cycle and a debt repayment at high points. Public expenditure is affected by changes in economic activity: for example, social security payments change with the level of unemployment.

Tax revenues vary more than proportionately with income: for certain taxes marginal tax rates exceed average rates. Corporation tax receipts are subject to particularly wide swings. Such variations in the PSBR can be helpful in damping transitory demand changes: they do not involve short-term changes to fiscal instruments with the accompanying risk of ill-timed judgments and they are consistent with a sound underlying fiscal position.

There has been a clear cyclical pattern in the public finance over many years. The public sector moved into substantial surplus during the years of very rapid growth between 1985 and 1988, with the PSBR reaching 3 per cent of GDP in 1988-89. Since then, as the economy has slowed down, the surplus has declined and the present position is one of broad balance.

The public sector is now expected to move temporarily into deficit, reflecting the cyclical downturn in the economy. However, as inflation comes down and output recovers, the budget will return to its underlying balance.

The PSBR has been set at £8 billion for 1991-92, equivalent to about 1½ per cent of GDP. This is consistent with the objective of balancing the budget over the cycle.

Assumptions about path of the economy are required in order to illustrate possible developments in the public

finances over the medium term. Over the medium term, inflation is projected to fall to 3 per cent, which is assumed to be close to performance in the main ERM countries. The level of real GDP will be below trend in 1991-92. But as inflation moderates, real GDP growth is likely to recover, and there should be scope for above-trend output growth for a while without arresting progress on inflation.

The increase in the PSBR in 1992-93 is consistent with this assumed path of output. It takes time for the effects of low activity to feed through fully to revenues. For example, corporation tax, which is particularly sensitive to cyclical developments, is collected roughly a year in arrears. Thus weak profits in 1991 will depress the yield of corporation tax in 1992-93, and contribute to the higher PSBR in that year. Thereafter, the PSBR should decline as a share of GDP.

The government's medium-term policy of balancing the budget implies that the ratio of net public sector debt to GDP will continue to decline, further reducing the share of the nation's stock of savings absorbed by the public sector. The relatively large PSBR in 1992-93 probably implies a very small rise in the debt ratio.

## Summary

The MTFs affirm the government's objective of bringing down inflation and keeping it down. The government is committed to meeting its ERM obligations. The government is retaining a target for M0, and will continue to operate fiscal policy as to maintain a balanced budget over the medium term.



# Allied's £150 million black hole

## COMMENT

Losing £150 million is not that easy, particularly in the normally stuffy world of Treasury management. Keeping such losses quiet is even more difficult, so Allied-Lyons can be granted a measure of approval for the fact that the news of a £150 million foreign exchange loss came as such a bolt from the blue yesterday.

That limited praise is about all the company is due, however, for it does not emerge with much credit from all other aspects of the affair. Clifford Hatch, the finance director, has done the decent thing and indicated that he will resign in due course, but the company is giving no indication of how it dropped such a monumental clanger.

Shareholders deserve better, particularly as the announcement comes a month after almost 10 per cent of the equity went onto the market with the placing of the Olympia & York stake. The shares went out at 497½p; the institutions saw more than half of their subsequent profits evaporate with yesterday's 29p fall to 520p.

Allied says it has brought in

National Westminster to help close the position that caused the damage and KPMG Pear Marwick McIntock, its auditors, to investigate the affair. Steps have been taken to ensure such exposures do not occur. No further details are given.

Four main questions must be asked. Is £150 million the extent of the loss? To the best of its knowledge, says Allied. Is there any sign of irregularity? Not at the moment, although that is a question for the auditors. Was there any indication of the loss at the time of the O&Y placing? No comment, mumbles Allied.

Most importantly, how did it happen? The company will not say, but there must be speculation that the group wildly misjudged the future direction of the dollar at some stage when it hedged against its overseas earnings.

Allied receives well in excess of £1 billion in turnover from North America, from Baskin-Robbins,

Hiram Walker, Dunkin' Donuts and other businesses. The recent upsurge in the dollar would, therefore, have highlighted any such exposure. Allied's management has made itself few friends from the episode. Not only will £150 million have to come off profits, but carrying costs of the loss will impact on next year's profit and loss account. The worst damage will be to its credibility. Just how do you lose £150 million? Answers quickly, please.

## Arrow blues

Michael Fromstein must feel he has at last escaped the chimera of Blue Arrow — and it has been an enormous task. Once Tony Berry had been ousted as chairman, Fromstein moved in and took a

scythe to just about everything Berry had done. Out went several businesses, such as the Australian operation, and farewells were made to a couple of cosy ventures, including the Blue Arrow America's Cup challenge. After about £60 million of extraordinary provisions were made against the extraordinary events of the previous three years and debt was cut from £200 million to £22 million, Fromstein then changed the company's name to Manpower, moved the head office to Milwaukee and, in the final stage, is changing the group's nationality to American.

And that, he hopes, will be that. Fromstein believes the £1.5 million put aside for the cup challenge in the 1990 accounts will be the last time he will have to provide for the Berry regime's ambitions. Just how long it will

be before the company can start paying dividends again is another matter.

The problem is caused by a deficit in distributable reserves, but the cupboard is kept bare because under UK accounting rules, reserves can only be topped up by the holding company and in Manpower's case the holding company's only income is that from trading company dividends.

Unfortunately, Fromstein's team does not think that reserves will be healthy enough to start paying dividends for the "foreseeable future", which, when pressed, means more than three years.

Fromstein faces new problems, which are caused by an economic climate that is sharply eroding Manpower's profitability. But he managed to regain control of his enlarged business as though he won the takeover bid for Blue Arrow and not the other way round, and that is just the kind of

ingenuity Manpower is going to need.

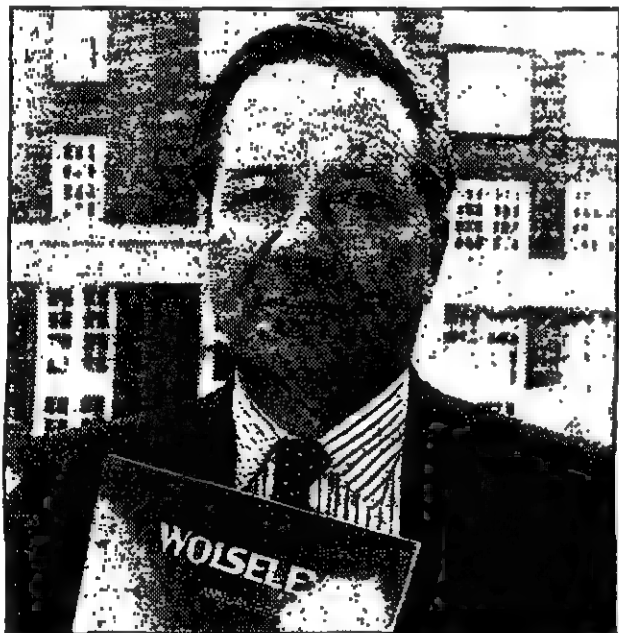
## Index losers

These are frustrating times for companies hoping to gain the perceived benefits of joining the FT-SE 100 share index of the highest valued British companies on the International Stock Exchange. They must rely on the ebb and flow of market values at the bottom end and occasional spectacular exits, such as Globe Investment Trust or Polly Peck.

Most of the vacancies seem, however, to be taken by privatised groups that barge their way to the head of the queue. Privatised groups, including TSB, already take 14 places.

Today, the index committee meets for a quarterly review. The favourites to join are, naturally, National Power and PowerGen. Having partly paid shares did not stop water companies. Losers may argue that since the government will still own 40 per cent stakes in each for at least two years, they should wait their turn.

# The Brierley factor adds a dimension to BSG payout



Troubles in America: Jeremy Lancaster of Wolseley

THERE is nothing like a 29 per cent hostile shareholder breathing down a board's neck to prompt a generous approach to dividend payments. BSG International's full-year figures, featuring a pre-tax profit collapse from £23.4 million to £13.1 million, might have been grounds for a dividend cut, but for the presence of Sir Ron Brierley's IEP Securities as a shareholder.

Last year's payout is maintained, even though it is barely covered by attributable profits. BSG's woes are hardly of its own making; automotive components have held up well, but car dealing has taken a pounding.

Consumer products have been hit by falling spending on such items, and long-running problems on a contract for aircraft components with Boeing. There was also the cost of scaling down a Ford dealership in Birmingham. The difficulties with Boeing are behind BSG, but there is little sign of improvement in its other markets.

Small disposals have done little to cut gearing: up 8 points last year to 44 per cent and set to edge higher. The shares, which have rallied from their 40p low in January, lost ½p to 55p yesterday.

Sir Ron's options look limited. IEP has been selling out of a range of its investments, but given the illiquid nature of the market in BSG's shares, a block sale to a potential predator looks his best way out, short of a full bid.

The market expects a flat performance this year. Another £13 million pre-tax puts the shares on almost 14 times prospective earnings. The IEP stake is about all the shares have going for them.

## Wolseley

HAVING coped as well as its competitors with the British recession, Wolseley, the builders' merchant, ran into even worse conditions in America. Problems at Familian Corporation, the southern Californian distributor, and a 12 per cent slide in the dollar cut American profitability by 37

per cent to £15.8 million for the latest six months.

The remaining American operations, Familian-North West, further up the west coast, and Ferguson, in the south and east, had held their profits, albeit on higher sales. At home the Plumb Center business ran into a weak heating market, says Jeremy Lancaster, the group chairman, and while it added to its dominant market share, failed to hold profits. Building materials and plant hire not

surprisingly succumbed to the recession, and British distribution slipped from £21.9 million to £17.2 million.

British manufacturing also held its turnover levels, with electricals raising their profits contribution, but agricultural machinery lost money, and the division's profits slid from £11.6 million to £9.7 million. Group gearing is a couple of points higher at a not-uncomfortable 30.4 per cent. Profit expectations for the full year have already been

trimmed, and Wolseley will do well to beat £80 million, which would produce 24.5p of earnings. The shares, after a strong run sell for over 15 years' earnings at 37½p, but, as among the most reliable stocks in the sector, probably remain a solid hold.

## Paterson Zochonis

PATERSON Zochonis, which relies on Nigeria for 20 per cent of its profits, has seen the share fall 27 per cent in the past nine months, from 7.4p to 5.4p. This and a severe downturn in Australia, was behind a slip in interim profits from £11.6 million to £11.2 million.

Profits were also checked by a lower investment income, and there were further continuing losses in the Ivory Coast, Senegal and the Central African Republic to the extent that PZ is now closing those operations. Closure costs will be taken as an extraordinary item at the year end.

The marketing spend and product drive, meanwhile, will continue in the more populated areas of Southeast Asia and the Pacific basin.

In Britain, the thrust behind Cussons will be increased. Cussons' market share in Britain is up to 25 per cent, though the domestic recession is taking its toll.

PZ is still (and is likely to remain) more like a bank than a manufacturer with net cash holdings of about £12.4 million, equivalent to 235p a share, on which gross investment income was £8.25 million (£8.43 million). Operating profits, by contrast, were £4.91 million against £4.3 million.

Overall, not much difference can be expected from second-half results, but one consolation is that the interim dividend rises from 2.05p to 2.15p a share.

Barely changed year-end profits of £25 million would put the shares at 340p on 11.1 times prospective earnings. For the cash asset backing alone, they have an attraction.

# Big business attacks 'unfair' rules on policing takeovers

GKN is not mincing its words:

"The overall system is cumbersome and its precise workings a mystery to many, if not most, businessmen." Nor is Kingfisher: "It is uncertain in application. It is unfair and inefficient in implementation. Significant and unnecessary burdens are placed upon the parties involved."

These are just two among a range of British companies attacking the rules of government, ministers and regulatory authorities in vetting mergers and takeovers.

Kingfisher's remarks, and those of many others, are voiced in a series of previously unseen memoranda from a raft of companies, banks, lobby organisations, government bodies and trade unions to the Commons all-party trade and industry committee, which is currently investigating British takeovers and mergers.

Some organisations, such as the Bank of England, the Takeover Panel and Lazard Brothers, broadly support the arrangements. But many bodies are critical.

GKN adds to its unminced words by doubting the effec-

tiveness and real value of a system under which a reference to the Monopolies and Mergers Commission by itself results in "the vast majority of mergers immediately collapsing", with "serious consequences" for businesses involved.

Existing British procedures are out of step with others,

## 'MMC structures and procedures are cumbersome and outdated'

GKN says, and the system's discretionary aspects are vulnerable to changes in government policy or ministers.

The National Consumer Council says that the role of the trade and industry secretary, currently Peter Lilley, should be examined. The lack of monitoring is a "glaring inadequacy" in the system, the council says. It adds: "We believe that the structures and procedures of the MMC are both cumbersome and outdated. It needs to function as an investigatory body, instead of in its existing, more passive style."

British Airways says the

Office of Fair Trading (OFT) and MMC should each disclose parties' submissions, allowing those involved "to respond directly to the case that is made rather than to indulge in shadow-boxing through the medium of the MMC."

Sir Edward du Cann, chairman of Lloyds, accuses the government of a "lack of sure-

ness" on these issues, arguing that the government "thinks all responsibility for ensuring that sanctions are effectively employed" in takeover cases.

Fikington says that the present Takeover Code is "weighted in favour of the bidder".

Courage says there should be a review not only of the role and procedures of the MMC and OFT, but also for a widening of competition policy. It says the MMC could be "more critically searching" in examining evidence. The trade and industry department's investigations would be im-

proved if the OFT could enter into informal discussions to avoid an MMC reference.

The merger agencies do not particularly take up the cudgels on policy. Sir Gordon Borrie, OFT director general, suggests an "alternative approach" by allowing him to differentiate between competition and other public interest issues in his advice.

In its evidence, the trade and industry department does little more than lay out present policy. "The government's broad approach," it says, "is that, in general, the market should be allowed to 'get on with it', though it adds that "in those merger cases where private interests diverge from the public interest — where, typically, a merger has the potential to allow for abuse of market power — intervention is justified".

Mr Lilley remains largely unmoved by the criticism, concluding with a statement of readiness and determination: "The government will be vigorous in making use of the powers available to it."

PHILIP BASSETT  
Industrial Editor

# "With the long term forecast considerably brighter"



In Britain, the vagaries of weather are nothing new. Usually sunshine after rain. At times, too, investment markets can display similar characteristics. However, prospects over the longer term, tend to even out extremes of weather and financial climate. That's where regular saving through the Murray Investment Trust Savings Scheme and the Murray Johnstone Investment Trust FEP provides a simple and economical route allowing you to invest without worrying about timing or market pressures: Investing now buys you more shares while prices are lower. Providing a build up of benefits which will hopefully shine through during sunnier periods. With the Murray Trusts investment record behind you the longer term forecast looks bright. For further information telephone 041-226 3131 or simply fill in the coupon.

You should be aware that the price of shares and the income from them may go down as well as up and past performance is not necessarily a guide to the future. Investors may not get back the amount they invested.

Tax levels or relief are those currently applicable and may change. The value of tax relief depends on the individual circumstances of the investor.

Murray Johnstone Limited, 7 West Nile Street, Glasgow G1 2PX  
Tel: 041-226 3131

Murray Johnstone Limited, FREEPOST, 7 West Nile Street, Glasgow G1 2PX  
Please send details of the Murray Investment Trust Savings Scheme and/or the Murray Johnstone Investment Trust FEP  
NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
POSTCODE \_\_\_\_\_ SIGNATURE \_\_\_\_\_ TT 20/91

## THE TIMES CITY DIARY

### Simpson holds the candle

MORGAN Grenfell lost one of its corporate financiers on Friday when Richard Simpson resigned, but it might well have gained a corporate client of the future. For Simpson, aged 32, and a chartered accountant by training, has changed sides and gone into business. He and his father Gordon — once the finance director of Shell UK — have bought 100 per cent of Price's, the Battersea candle maker that possesses three Royal warrants, one to the Queen Mother, one to the Queen in her capacity as head of the Church of England and a third to the Queen for domestic use. "I believe she uses our candles for her dining table," says Simpson, now chairman of the firm. An Oxford geography graduate and ex-Stowe pupil, Simpson bought Price's from Shell UK ventures, the venture capital arm of the oil group. "It took me 18 months to persuade them to sell it to me," he says. "I now want to recapture some of its traditional market, to start exporting more and to introduce ancillary products." He is, he adds, "terribly excited" by the challenge that lies ahead. "It's terrific to move away from being a leech on industry and actually move into industry instead."

### On the move

CSFB, the securities trading arm of Credit Suisse, is reeling from the loss of two senior executives in rapid succession. Nigel Pilkington, head of UK equity sales — and a member of the Pilkington glass family — walked out on Friday together with Richard Brance, well-spoken former head of gifts. Brance and David Benson, former head of arbitrage, had both been running CSFB (UK) — an amalgamation of the gifts and equities divisions that were merged into one department. While Pilkington has yet to reveal his plans, Brance has told friends he hopes to pursue a career in politics — something for which his spell at the firm may have prepared him well. He was elected as a Conservative councillor in the Royal Borough of Kensington and Chelsea last year — a position that could pave the way for higher things. "We accept their resignations with regret and sadness and wish them the best of luck," says Robert Lovard, an executive director. No further comment was available from Hans-Joerg Rudloff, the CSFB chairman, who commutes weekly to London from Geneva.

### In the stars

GOVERNMENT officials and media observers were mystified that Barney (UK) Limited, the first Hong Kong manufacturing investment in Northern Ireland, should have chosen last Saturday for the official opening of its East Belfast plant that makes video cassette tapes and household goods. For the Belfast public is, by and large, rather more keen on recreation on a Saturday than attending work-place events. But the reason for the choice is that March 16 — which can be rendered as 16/3 or, American style, as 3/16 — is astrologically auspicious. To the Chinese the numeral three signifies "alive" and 16 "plenty to eat", says a source close to Dr Paul Yong, Barney's managing director, whose daughter Michelle, a medical student at Queen's University in Belfast, also celebrated her 21st birthday on Saturday. If you pool them altogether, 316 signifies "as long as you live our business will be lucky and prosperous".

### Award winner

PROPERTY companies have not been known for making vast sums of money in the past few months. But those firms still in business may care to take a tip or two from Arlington Securities, the property arm of British Aerospace, which has proved a master at raising cash — whatever it takes. The cash in question, £50,780, was raised before Christmas in the space of a week, and will form part of a £250,000 donation from British businesses to help orphans in Romania. "We got everyone involved," says Patrick Deignan, managing director of Arlington Property Development, and team leader for the fund-raising event, launched with the help of Sir John Harvey-Jones. "We persuaded Rover to donate a Mini Cooper to be raffled at Langens' Brasserie, and we even offered a day in the company helicopter." Deignan is due at the Waldorf on Friday to receive the team award from Princess Helen, a member of the exiled Romanian Royal family.

### Sign of the times

... a notice, pinned to the door of a shop in Stirling, which closed down only two weeks after opening, reads: "Opened in error."

CAROL LEONARD



# Bundesbank chief attacks plans for swift move to Emu

# Shares tumble as Budget proposals disappoint City

**PRE-TAX** profits at AAF Investment Corporation, the system and modular building and alloy wheel manufacturer, rose 18 per cent to £3.6 million during 1989. AAF is paying a final dividend of 6p, including a special final 1p dividend relating to interest income. The 11p total payout for the year represents a 10 per cent improvement on 1989.

At the year end, AAF had cash balances of £18 million, on which it earned net interest of £1.7 million. The cash pile was reduced to £12 million after the acquisition of an alloy wheels business from the administrators of Parkfield in January.

**By OUR CITY STAFF**  
**A RESTRUCTURED** Cambridge Electronic Industries has announced an 8 per cent dip in pre-tax profits to £10.2 million for the 12 months to

SCALES Group, the electrical switch components maker, suffered a fall in interim pre-tax profits from £2.5 million to £2.3 million for the six months to end-December.

## Rejects £49m bid

By GILLIAN BOWDITCH

[illegible]

**TRADITIONAL OPTIONS**

Clerical Medical Investment Group comprises:  
Clerical, Medical and General Life Assurance Society and its subsidiaries.

Year-end gearing was 13 per cent, down from 67 per cent. The company plans to use its stronger balance sheet to make bolt-on acquisitions, particularly in the medical division and overseas.

The publisher, as a 10 per cent shareholder, has reported a 3 per cent advance in 1990 pre-tax profits to £18.2 million.

North Wales and  
northwest England, had been  
well until a slowdown  
in December that continued  
in January and February.  
Papermaking was hit  
by price pressure in the second

FT. Real Interest	93.62 (+0)
FT. Govt Secs	94.28 (+0)
Bargains	42
SEAC Volume	\$79
USM (Downstream)	135.40 (+1)

1. **RESEARCH DESIGN**

**071-409-3474**  
**RESIDENTIAL MORTGAGE BROKERS**  
Credit Union of the Licensed Credit Union, Canadian Credit Union, Western Credit Union, London  
71 B.A. (see members in your area) YOUR MONEY, YOUR WAY, YOUR CHOICE

هذا عن الامام



chief  
is for  
Emu

degree of com-  
and Although  
trial speech, there  
the conference, the  
nk between the  
include inflation  
with, and most  
budgetary policy  
it amounts to be  
ule remarks to in-  
gle European  
en Publ used  
ift in the Gene

undestant's po-  
ermainly has  
as the govern-  
want to repeat  
of last year, when  
undestant's ad-  
with caution on  
metary union. The  
ent was later  
it misjudged com-  
m, and some  
raised.

points  
he IBM figure  
about the  
B) shares and  
figures are an-  
nouncement. This  
into an acciden-

Prices closed  
lower as the  
Monday's 300-  
The Nikkei  
140-22 points  
6.

Options

Options

Options

Options

Options

# Portfolio

PLATINUM

From your Portfolio Platinum card check your eight share price movements on this page only. Add them up to give you your overall total and check this against the daily dividend figure. If it matches you have won outright or a share of the daily prize money stated. If you win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Group	Code
1	Lovell (V)	Building Roads	
2	Rustons Wharfedale	Industrials E-K	
3	Delta	Electricals	
4	Messers (John)	Drapery Stores	
5	New Corp	Newspapers/Pub	
6	Woodside	Oil/Gas	
7	Wharfedale	Industrials S-Z	
8	Zellers Gp	Leisure	
9	T & S Stores	Drapery Stores	
10	Fack Foods	Food	
11	Swire Pacific 'A'	Industrials S-Z	
12	Harland Europe	Industrials E-K	
13	Community Hospital	Industrials A-D	
14	Scholar Gp	Electricals	
15	British Egn	Industrials A-D	
16	Uthmaniyah	Oil/Gas	
17	Croftby Jones	Building Roads	
18	Nat Am Bk	Bank/Discount	
19	Logica	Electricals	
20	Davy	Industrials A-D	
21	Geac	Industrials A-D	
22	McCarthy & S	Property	
23	Constar	Building Roads	
24	Brown (N)	Drapery Stores	
25	Dunlop	Property	
26	Waco	Paper/Palm Adv	
27	Molym	Electricals	
28	Liter	Textiles	
29	Wellcom	Industrials S-Z	
30	Bracegirdle Gp	Newspapers/Pub	
31	Smiths Ind	Industrials S-Z	
32	Johnstone Press	Newspapers/Pub	
33	Willing Office	Drapery Stores	
34	Dunlop	Electricals	
35	Leeds	Industrials A-D	
36	Charles Ind	Industrials A-D	
37	House Of Lorne	Drapery Stores	
38	BWT	Industrials A-D	
39	Scotronic	Electricals	
40	Bridat	Newspapers/Pub	
41	Jardine Math	Industrials E-K	
42	MS Int	Industrials L-R	
43	Cable Works	Electricals	

Please take into account any minus signs

Weekly Dividend						
Please make a note of your daily totals for the weekly dividend of £4,000 in Saturday's newspaper.						
Mon	Tue	Wed	Thu	Fri	Sat	Total

There were no valid claims for yesterday's Portfolio Platinum competition. The accumulated prize of £4,000 will be added to today's competition.

## BRITISH FUNDS

SHORT (Under Five Years)

Fund	Price	Change
...	...	...

## FIVE TO FIFTEEN YEARS

Fund	Price	Change
...	...	...

## OVER FIFTEEN YEARS

Fund	Price	Change
...	...	...

## UNDATED

Fund	Price	Change
...	...	...

## INDEX-LINKED

Fund	Price	Change
...	...	...

## BANKS, DISCOUNT, HP

Fund	Price	Change
...	...	...

## STOCK EXCHANGE PRICES

# Shares drop sharply

ACCOUNT DAYS: Dealings began March 11. Dealings end March 28. Settlement day April 2. Forward bargains are permitted on two previous business days.

Prices recorded are at market close. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Where one price is quoted, it is a middle price. Changes, yields and price/earnings ratios are based on middle prices.

No.	Company	Price	Change
...	...	...	...

## BREWERIES

No.	Company	Price	Change
...	...	...	...

## BUILDING, ROADS

No.	Company	Price	Change
...	...	...	...

## ELECTRICITY

No.	Company	Price	Change
...	...	...	...

## FINANCE, LAND

No.	Company	Price	Change
...	...	...	...

## FINANCIAL TRUSTS

No.	Company	Price	Change
...	...	...	...

## FOODS

No.	Company	Price	Change
...	...	...	...

## CHEMICALS, PLASTICS

No.	Company	Price	Change
...	...	...	...

## DRAPERY, STORES

No.	Company	Price	Change
...	...	...	...

## HOTELS, CATERERS

No.	Company	Price	Change
...	...	...	...

## INDUSTRIALS A-D

No.	Company	Price	Change
...	...	...	...

## ELECTRICALS

No.	Company	Price	Change
...	...	...	...

No.	Company	Price	Change
...	...	...	...

## INDUSTRIALS E-K

No.	Company	Price	Change
...	...	...	...

## INDUSTRIALS L-R

No.	Company	Price	Change
...	...	...	...

## INDUSTRIALS S-Z

No.	Company	Price	Change
...	...	...	...

## LEISURE

No.	Company	Price	Change
...	...	...	...

## MINING

No.	Company	Price	Change
...	...	...	...

## MOTORS, AIRCRAFT

No.	Company	Price	Change
...	...	...	...

## NEWSPAPERS, PUBLISHERS

No.	Company	Price	Change
...	...	...	...

## OILS, GAS

No.	Company	Price	Change
...	...	...	...

## PAPER, PRINT, ADVERTISING

No.	Company	Price	Change
...	...	...	...

## PROPERTY

No.	Company	Price	Change
...	...	...	...

No.	Company	Price	Change
...	...	...	...

## SHOES, LEATHER

No.	Company	Price	Change
...	...	...	...

## TEXTILES

No.	Company	Price	Change
...	...	...	...

## TOBACCO

No.	Company	Price	Change
...	...	...	...

## TRANSPORT

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

# Portfolio

PLATINUM

DAILY DIVIDEND  
£6,000

Claims required for +39 points

Claimants should ring 0254-53272

No.	Company	Price	Change
...	...	...	...

## PAPER, PRINT, ADVERTISING

No.	Company	Price	Change
...	...	...	...

## PROPERTY

No.	Company	Price	Change
...	...	...	...

## SHOES, LEATHER

No.	Company	Price	Change
...	...	...	...

## TEXTILES

No.	Company	Price	Change
...	...	...	...

## TOBACCO

No.	Company	Price	Change
...	...	...	...

## TRANSPORT

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

## WATER

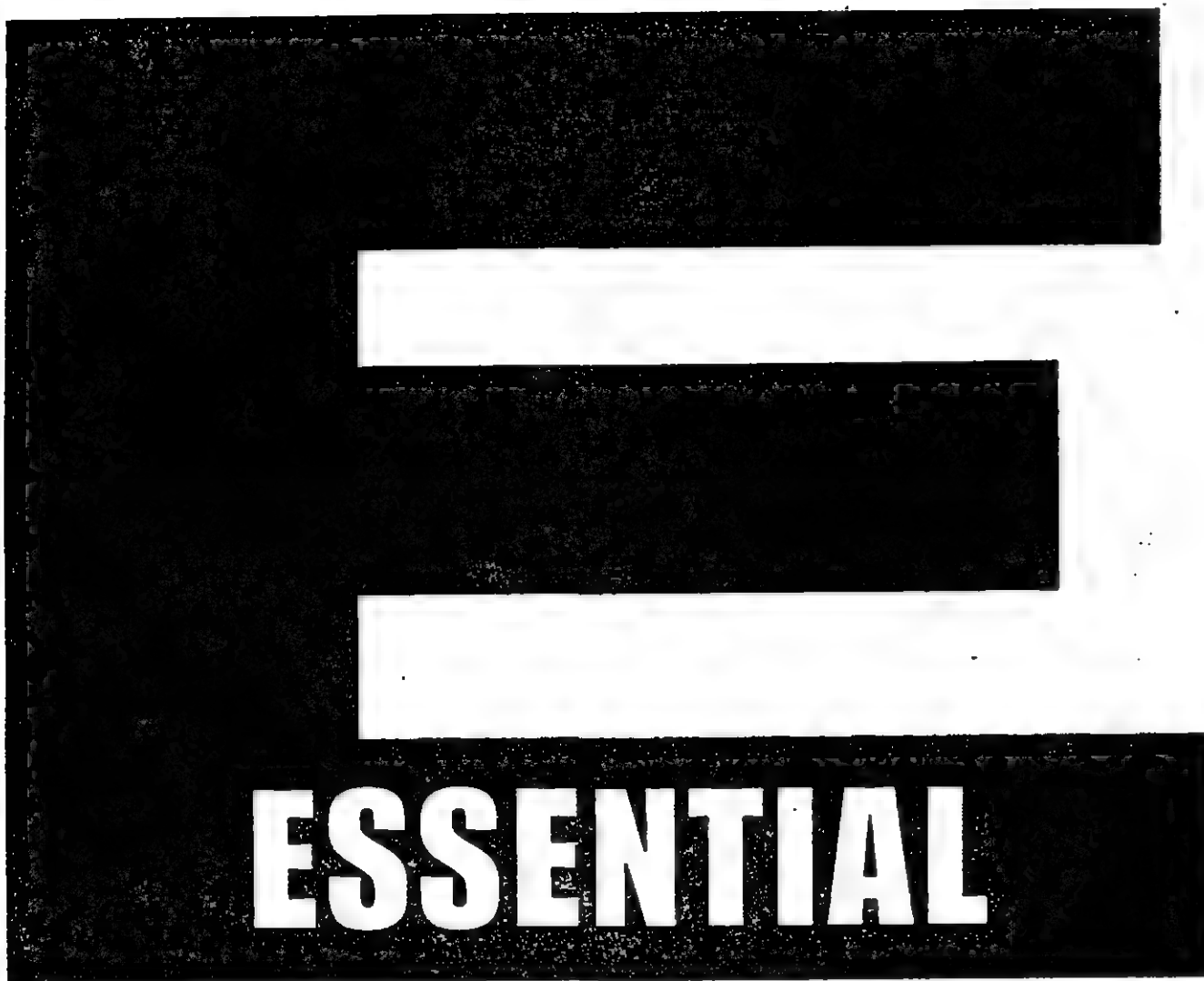
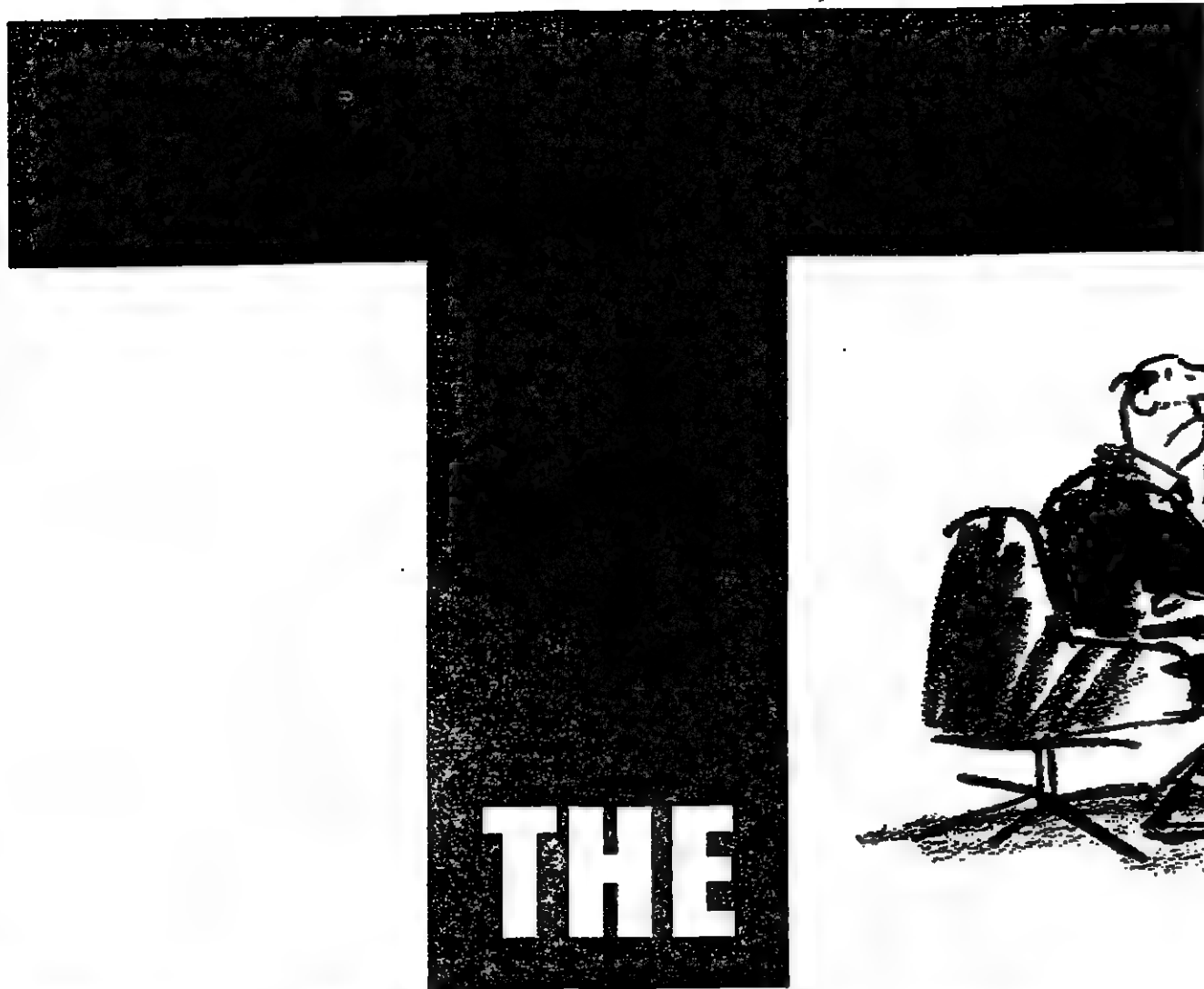
No.	Company	Price	Change
...	...	...	...

## WATER

No.	Company	Price	Change
...	...	...	...

Ex dividend a Ex all b Forecast dividend c Interim payment passed d Price at suspension e Dividend and yield exclude a special payment f Pre-charge figures h Forecast earnings g Ex other i Ex other j Ex other k share split l Tax-free .. No significant data.





*With the right training gentlemen,  
the potential of our work force is  
tremendous. It's the talent around this  
table that concerns me.*



**The essential component  
in the success of every busi-  
ness or community is the  
skills of its people.**

**That's why your area is  
covered by one of the eighty-  
two Training and Enterprise  
Councils in England and  
Wales which are planning  
and investing in training,  
education and business  
development.**

**TECs are run by top local  
employers and community  
leaders with government  
backing, so will help you  
develop the skills of the  
people in your area to meet  
the needs of your business,  
whatever its size.**

**Telephone us today for  
further information on  
how TECs work and more  
importantly how yours  
will work for you on  
0800 444 246.**





# Rentokil hits its target with 20% rise to £74m

By WOLFGANG MÜNCHAU, EUROPEAN BUSINESS CORRESPONDENT

RENTOKIL Group, the world's largest pest control company, met its self-imposed target of 20 per cent profit growth last year with a rise in pre-tax profits from £62 million to £74.7 million in 1990.

The company, majority-owned by Sophus Berendsen, a Danish group, and one of the best performing British groups during the past decade, had a turnover of £309.1 million against a previous £279.3 million.

Most of the increase in profits came from operations in the United Kingdom and the rest of Europe. The strongest European growth came from Switzerland, the Republic of Ireland, Scandinavia and Belgium. The United Kingdom's share in pre-tax profits was up from £31.8 million to £40.1 million, while in the rest of Europe, profits rose from £15.4 million to £19.1 million.

Pest control is one of the most recession-proof businesses, and benefits strongly from increasing environmental concerns. Demand for pest control services has risen strongly, as a result of warmer winters and the growth in the rodent population. The company boasts about 250,000 customers in the UK, where it has dominant market position with a 65 per cent share.

Most of the profits came from the core business area of environment services, whose share of pre-tax profits were £65.5 million. This division comprises the pest control activities, where it is represented in more than 40 countries. The operations also include office and retail cleaning and tropical plants for retail centres, hotels and offices, as well as hygiene, medical and water services.

The other division is property services, which includes damp-proofing and office machine maintenance. The share of pre-tax profits in this division rose from £7.59 million to £9.51 million.

Net profits were up 21 per cent to £47.45 million. Earnings per share were 12.22p (10.12p), and the final dividend was 2.24p, making 3.30p (2.67p), adjusted for a share split.

## German and French rates are 'on par'

By COLIN NARRBROUGH

FRANCE could match the inflation rate in Germany by the year end as the French authorities continue to cut inflation, Pierre Bérégovoy, the finance minister, said.

Regarding the Bank of France's quarter point cut in its money market intervention rate to 9 per cent on Monday, he said the objective of matching German inflation, which France has spent much of the Eighties trying to achieve, was "within our grasp".

Provisional figures show Germany's annual inflation running at 2.7 per cent in February.

M Bérégovoy said that the nominal gap in French and German interest rates of 0.7 per cent reflected the inflation differential. In real terms, interest rates were on a par.



Spending: Klaus Jacobs, who took control of Adia

## Jacobs scouts around for more investments

KLAUS Jacobs, the Swiss businessman who bought a 53 per cent stake in Adia, the temporary employment group, is planning more large investments.

Herr Jacobs, a former bidder for Rowntree, says he also wants to devote more time to the Scout movement. He is vice-president of the World Scouts Foundation.

He and Asko, the German retail chain, paid Omni Holdings SP770 million (£308 million) last week for the Adia stake. Herr Jacobs said, however, that he and Asko might not leave their stake at 53 per cent.

"We believe in Adia and we would not exclude topping up our holding."

Herr Jacobs has kept a low profile since personal financial difficulties forced him to sell his controlling stake in Jacobs Suchard, Nestlé beat him in the 1988 battle for Rowntree. Speculation had grown about what he would do with the SP72 billion received after selling Suchard and buying back some subsidiaries.

Strategic investments also include a 40 per cent interest in a hotel manager company, and 50.1 per cent in a Swiss investment firm.

(Reuters)

# CBI criticises pay forum plans

By PHILIP BASSETT, INDUSTRIAL EDITOR

PROPOSALS for a new national pay forum, suggested by some trade union leaders and pressure groups, have been attacked by the Confederation of British Industry.

Unions such as the GMB general have been promoting

the idea of more co-ordinated pay bargaining to reduce what they see as the damaging economic effects of Britain's highly fragmented system.

Other groups, such as the Campaign for Work, have taken the idea further by suggesting it as an alternative to rising unemployment.

Despite the rejection of

similar ideas by Michael Howard, the employment secretary, the government appeared to be showing some interest in the proposal.

The CBI, however, criticised the proposals yesterday as "just words, unless they are accompanied by a joint determination to drive down pay settlements that have not

been earned through raising competitive performance."

Richard Price, CBI deputy director general, told a conference in Nottingham organised by Acas, the government's conciliation service, that no union leaders were prepared to commit themselves to a level of pay increase less than the prevailing rate of retail price inflation.

"It is important that we don't return to the failed national form of the 1960s and 1970s, with vague statements of intent and the prospect of woolly compromise," he said.

Mr Price also criticised the latest proposals from the European Commission for the setting up of works councils for firms with multi-site operations across the Community.

## Competition knocks Mandarin

PROFITS at Mandarin Oriental International, the Hong Kong hotels group, declined last year because of increased competition.

The company, which is controlled by Jardine Matheson, the trading group, suffered a fall in pre-tax profits from US\$61.4 million to US\$51.8 million on turnover reduced from US\$127.8 million to US\$124 million.

The figures contain an extraordinary gain of \$19.5 million, largely due to a write-back of provisions against associates and other investments.

Earnings per share slipped from 7.44 to 6.68 American cents, but the final dividend of 3.59 cents maintains the year's total at 5 American cents.

## LONDON TRADED OPTIONS

Call												Put												Call												Put											
ABX 1991												ABX 1992												ABX 1993												ABX 1994											
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	55	12	22	30	110	50	30	13	9	15	15	220	14	21	28	11	18	19	320	50	30	13	9	15	15	220	14	21	28	11	18	19														
300	40	5																																													



## MONEY MARKETS

Exchange index compared with 1985 was down at \$2.0 (day's range \$1.8-\$2.4).

STERLING SPOT AND FORWARD RATES

Mid Rate for Mar 19	Range	Cheer	1 month	3 month
New York	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
London	2.0335-2.0425	2.0405-2.0495	1.74-1.75	2.80-2.85
Brussels	1.8355-1.8515	1.8405-1.8515	1.74-1.75	2.80-2.85
Frankfurt	2.0335-2.0425	2.0405-2.0495	1.74-1.75	2.80-2.85
Paris	2.0335-2.0425	2.0405-2.0495	1.74-1.75	2.80-2.85
Amsterdam	2.0335-2.0425	2.0405-2.0495	1.74-1.75	2.80-2.85
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Oslo	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Copenhagen	1.7825-1.8045	1.7875-1.7985	1.78-1.79	2.85-2.90
Stockholm	1.7825-1.8045			

**Ring Nigel Ruddin on 071 872 8464**

[illegible]







To Place Your Advertisement

Trade: 071-481 4481  
Private: 071-481 4000

## LA CRÈME DE LA CRÈME

Fax Numbers:  
071-481 9313  
071-782 7828Maine - Tucker  
Recruitment ConsultantsBE GROOMED FOR  
THE TOP...

Circa £14,000 + Bonus + BUPA ++

Would you like to work in a Business Tycoon's Office? This is probably the most startling experience ever available for a promising young Secretary in her early 20's (under 24). Working as Assistant to the utterly charming Private Business PA of one of the best known Public Figures in the world of Commerce today, the chances to learn are infinite. The PA you will be working with is so keen to involve you in everything & in return you will be expected to give your all. The work is not just typing... a racehorse coming over from Ireland... dinner in Hong Kong... a Concorde flight to fix. The nature of your work is Publicly sensitive & your discretion Paramount. Incredible initiative is called for & you are relied upon to take over the office. You must have 80/50 & speak very well... why not be groomed for the Top?

18-21 Jersey Street London SW1Y 6HP Telephone: 071-734 7341

Maine - Tucker  
Recruitment Consultants

## TELEVISION LIVE...

£14,500 + 5 Weeks Hols +  
Restaurant +++++

...It's late & you had to come back in to greet Jason Donovan personally, he's on soon & he left his script behind... whilst you're sorting this out, the Chairman rings up & asks you to take down a statement for the Press. The next day... ring, ring, it's the Express, they want to know if you've got a story for them, a paraphrase of T-shirts and Press Releases surround you but you've got to get to the Post (answering most of it yourself)... the phone goes again, thank goodness your job isn't much typing, more organising, even so you're pretty glad of your 80 shorthand and 50 typing for emergencies! If you are 20 to 25, can handle the pace, call us fast - it's one in a million!

18-21 Jersey Street London SW1Y 6HP Telephone: 071-734 7341

Maine - Tucker  
Recruitment Consultants

## CONSERVATIVE?

Circa £18,000 + Bonus + STL  
+ Pension + Ins + 9.15 Start

...No, we are not just interested in your politics, more in the way you view life because we are honestly searching for a very straightforward, super Senior Secretary to work at Managing Director level. The people in this highly professional and well-thought-of financial organisation are very genuine and would really appreciate a competent person... someone they could hand things over to and know they'd be done... there's little overtime and your future here is assured. If you are between 28 & 40, have 80/50 please call us as a matter of urgency.

18-21 Jersey Street London SW1Y 6HP Telephone: 071-734 7341

## PARTNERS' SECRETARIES

Near Chancery Lane

£ Market Rate  
+ benefits

S J BERWIN & CO is a leading City law firm which has enjoyed considerable growth and profitability since inception in 1982.

We are seeking experienced legal secretaries at Partner level in various departments including Commercial and Property.

Candidates should be prepared to work at a fast, accurate pace throughout the day, and should display ability to progress matters in Partner's absence. You will be working in an invigorating and dynamic atmosphere and will be expected to demonstrate total commitment to the firm's development.

If interested, please apply in writing to Ann Lemon, Personnel Officer, S J Berwin & Co, 236 Grays Inn Road, London WC1X 8HB; all applications will be treated in strictest confidence.

SJ Berwin &amp; Co

£16-17,000  
Secretary

American law firm seeks experienced secretary for small office. Fast, accurate typing, Wordperfect experience and good telephone voice and manner required.

Submit CV and handwritten letter to Kilpatrick & Cody, 68 Pall Mall, London SW1Y 5ES.  
No Agencies Please

LEGAL PA/SECRETARY  
£16,000

Join this very successful, international firm of Solicitors as a 'floating' secretary. Your day is guaranteed to be busy as you'll become involved in a variety of duties. 70 wpm Audio needed together with experience in Commercial Litigation, or Corporate Law.

Please telephone 071-248 3744 for more information  
2 Bow Lane, London EC4M 3EE

Elizabeth Hunt  
RECRUITMENT CONSULTANTSMULTILINGUAL  
SERVICES  
TWO GOOD MOVES

PARIS is your French really fluent? Are you a young, well-trained BILINGUAL SECRETARY with French shorthand, looking for that elusive role in Paris where your French is as important as your English? Ring us NOW in order not to miss this excellent opportunity. Salary £215,000

ESSEN: Do you have fluent German, and would like to work with a US corporation in Germany? A RECEPTIONIST/ADMINISTRATOR is required, who will handle world-wide travel arrangements, some typing, as well as answering visitors, switchboard, etc. Excellent telephone manner and good presentation essential. Salary: To £27,000.

071 836 3794

22 Charing Cross Road, London WC2H 9ER

DIRECTOR'S SECRETARY  
SLOUGH

£213,000 + Excellent Benefits

A recent promotion creates this secretarial vacancy assisting an Investment Director plus one manager. They require a thinking secretary, with an excellent telephone manner, a methodical approach and who relates to a financial environment.

You will enjoy a full range of secretarial duties within a friendly, professional office - diaries, travel arrangements, correspondence and telephone liaison ++++. Audio skills of 80 wpm Lotus 123 (or similar) 2 years secretarial experience at Director Level and 'O' Level education are the prerequisites. Age range 23-35. Rusty shorthand a distinct plus!

Telephone: 058075 3027 8.30 a.m. to 8.30 p.m.  
S.M.S. Rec. Cons.

SECRETARY TO M.D.  
GREENWICH

£214,000 + Excellent Benefits

You are the vital link!

Your Brief is to assist the M.D., correspondence travel itineraries, diary etc., whilst providing a first class secretarial service for his P.R. Executive and New Business Consultant. Confidence and personality are the order of the day as you organise conferences, liaise with journalists and clients. This is a Communications company operating under the auspices of a major corporate concern, thus enabling you to enjoy the generous benefits that a large organisation can offer.

With a minimum of 2 years senior secretarial experience, you will be aged 25-35, possess fast audio skills (80wpm) together with WPM and database experience. 'A' level education ideal.

Telephone: 058075 3027 8.30 a.m. - 8.30 p.m.  
S.M.S. Rec. Cons.

## Exclusively for Secretaries

DIRECTOR'S PA  
£215,000

Our client's PA is going on 7 months maternity leave and requires a replacement secretary to step in and hold the fort. Arrange meetings, control diary and coordinate worldwide for two departmental secretaries. Audio/WP skills on A&S and/or Wordperfect 5.1 essential. Call Pam Palmer.

Tel 071 491 0383

SECRETARY  
£213,000

Superb position based in the West End office of the international company. Good 'U' levels, R&A, IT, fast/accurate typing skills are the essential requirements for this position. Add your drive, motivation and enthusiasm, and you will secure a future within a world-class working environment. Call Pam Palmer or Barbara Fisher.

Tel 071 491 0383

TEAM SECRETARY  
£214,000

Impressive team by adding a Touch of Class to their fast moving and often hectic department. You should be well presented, with a flair for style and preferably have a knowledge of French/Italian. Your strong administrative, typing and excellent communication skills will move invaluable. Call Barbara Fisher.

Tel 071 491 0383

MACKAY-PARKES

70/71 New Bond St London W1 (Oxford St end) Mackay Personnel Recruitment Consultants

## PERSONNEL ASSISTANT

EXCELLENT SALARY + BENEFITS CHARTERED SURVEYORS LONDON W1

We are a major international firm of Chartered Surveyors and Property Consultants with more than 250 employees based at our London Head Office, with five UK regional offices at Birmingham, Edinburgh, Leeds, Manchester and Southampton.

We are looking for an experienced Personnel Assistant to work closely with our Personnel Manager in providing a first class service to the firm in all aspects of human resource management. As well as providing a full secretarial service, your duties will include the efficient administration of personnel records, systems and procedures, the recruitment and induction of secretarial and administrative staff and the organising and administration of in-house and secretarial training courses.

You will be well educated, flexible and organised and will want to play an active part within the firm. Good communication and keyboard skills are essential.

In return, we offer a first class salary commensurate with qualifications and experience, plus a comprehensive benefits package including bonus scheme and service award.

For further details, write in confidence to: Steven James, Personnel Manager, King & Co, 7 Stratford Place, London, W1N 9AE

NO AGENCIES

## SECRETARY/PA

## PRIORY HOSPITALS GROUP

If you have first class secretarial skills, like to work hard and be involved, you could be the person to join the small Head Office team of this expanding private hospital group, situated in pleasant offices in Roehampton. You would be working for the Director of Operations who is in charge of our six hospitals, and for the Business Development Manager. You would need to be a well educated, bright, friendly and flexible person. Word processing experience is essential, with knowledge of Multimate and WordPerfect an advantage.

Salary circa £14,000 + Month Award + other benefits

Please send your c.v. with a handwritten covering letter to: Mr. Stuart Vane, Director of Operations, Priory Hospitals Group, Priory Lane, London SW15 5JJ

## JUNIOR SECRETARY

An exciting opportunity for a young person just starting out to join a new investment building company concerned with construction of radical, environmentally sound technologies. Must be a team player with no interest in joining the company as a 'day one' employee (must be trained) with phone answering, typing, filing, salary plus good perks negotiable to age and experience. Interview with a view to a permanent position.

Please apply in writing with CV to: Alexander Bagg, 20 Upper Grosvenor Street, London W1X 9PL

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

TEL 071 735 2074

## Banking Sec

£15,000 + huge bens

Make the most of your skills in the lively Corporate Finance division of established merchant bank. Working for an Assistant Director and one of his team, there will be plenty of telephone work, diary organisation and word-processing. Aged 23-35, you should have skills of 80/60 wpm, City experience and be able to work under pressure. Please telephone Caroline Smith on 071-528 3531.

Crone Corkill

RECRUITMENT CONSULTANTS

## £15,500 + Mtg Sub

## S/H Secretary

International WJE Bank relocating to the Docklands, are looking for a sec. Legal exp as a sure asset. Solid background within a recognised, professional London firm is essential. Skills should include 100wpm S/H, ability to make extensive diary arrangements, organise meetings & maintain expense reports. You must be aged 25-30, available for O/T and possess a mature and confident manner. Bens include LV's, BUPA, pension & profit share.

OPUS Rec Cons

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

Tel 071 379 4002. Fax 071 379 4844

DIARY  
OF  
TIMES CLASSIFIED

TELEPHONE:

071-481 4000

The Times Classified columns are read by well over a million of the most affluent people in the country. The following categories appear regularly each week and are generally accompanied by relevant editorial articles. Use the coupon (right), and find out how easy, fast and economical it is to advertise in The Times Classified.

THE WORLD FAMOUS PERSONAL COLUMN, INCLUDING RENTALS, APPEARS EVERY DAY.

## MONDAY

Education: University Appointments, Prep & Public School Appointments, Educational Courses, Scholarships and Fellowships with editorial.

## TUESDAY

Legal Appointments: Solicitors, Commercial Lawyers, Legal Officers, Private and Public Practice with editorial.

## WEDNESDAY

Creative & Media Appointments: Media and Marketing with editorial.

## THURSDAY

General Appointments: Accountancy & Finance, Engineering, Management, etc. La Creme de la Creme and other secretarial appointments.

## FRIDAY

International Appointments: Overseas Opportunities: Motors: A complete car buyer's guide with editorial.

## SATURDAY

Shopping: shopping from the comfort of your own home. Antiques and Collectables. Saturday Bazaar: Shopping: Yachting: Boat & Waterports: Property, Restaurant Guide, Home & Gardens. Travel: Overseas, UK Holidays, Flights etc.

## Fill in the coupon and attach it to your advertisement, written on a separate piece of paper, allowing 20 letters and spaces per line. Rates are: Lineage £2.50 per line (Min. 3 lines only first word in bold); Home Display £20 per single column centimetre (Min. 3 centimetres); Court and Social £10 per line. Saturday Review Colour £30 per single column centimetre. All rates are subject to 15% VAT. Telephone our Classified Advertising Department on 071-481 4000 between 9am-6pm Monday to Friday, 9.30am-1.15pm Saturday, late evening 7.30pm on Wednesday, or send to: Shona Goddard, Classified Advertising Manager, Times Newspapers Ltd, P.O. Box 484, Virginia Street, London E1 9DD.

Name

Address

Telephone (Daytime)

Date of insertion

(Please allow three working days prior to insertion date.)

USE YOUR CREDIT CARD

## Crème de la Crème

also appears in

THE TIMES

on

Thursday &amp; Monday

To place your advertisement

ring

071 481 4481















# Extended life for a home

Thanks to high interest rates and a stagnant housing market, home-owners are upgrading and extending their properties instead of moving. Careful refurbishment – especially to period homes – can add value to a property. Potential home-improvers may find inspiration at the Ideal Home Exhibition, at Earls Court, west London.

Jim Hodgkinson, the chief executive of B&Q, the do-it-yourself chain, says: "There is a tendency to spend more on existing homes. The conservatory market, for example, is growing fast and indicates a desire for more living space, which is frustrated when people, especially with young families, can't move up the housing ladder."

For anyone trying to sell, tackling small DIY jobs around the home can make all the difference, according to Christopher Roupe of Winkworth's Kensington office. "It isn't only larger improvements, like updating a bathroom or kitchen, which will help sell a home, it's smaller jobs like re-plastering uneven walls and replacing ill-fitting shelves. Building extra cupboards is always useful and we've recently noticed a trend for stripping, sanding and varnishing wooden floors."

Restoring architectural features – fireplaces, panelling, windows, decorative brickwork and tiling – to a property's original style pays dividends when trying to sell. For those who shrink from DIY, there are hundreds of specialists who will tackle tricky tasks such as re-tiling, renewing stair banisters or re-plastering. Check examples of

Careful refurbishment or adding an extension can increase the value of property and avoid the need for a move. Nicole Swengley reports

work before employing anyone.

According to estate agents, some jobs may not be worth the cost or effort. While an additional bathroom, garage, loft conversion or conservatory may enhance a property's value, specialised improvements such as adding a tennis court or building a wine cellar will only be attractive to like-minded buyers. They also advise anyone considering a swimming pool to build indoors, rather than outside, despite the extra expense. With major refurbishments such as kitchens or bathrooms, the recommendation is to keep a neutral tone.

An independent surveyor can give impartial advice on the value of your home with and without an envisaged extension. The Royal Institution of Chartered Surveyors information office (071-222 7000) can locate a local expert. A valuation costs around £80.

**GOLDEN RULES FOR HOME IMPROVEMENT**

- Remember to comply with building regulations.
- Ensure listed building consent is obtained if necessary.
- Check with your local planning officer about planning permission.
- Secure at least two estimates before going ahead with any job.
- Talk to people who have had similar work done to assess the likely upheaval.
- Employ qualified professionals and see examples of their work first.
- Call in a structural engineer if you are planning a loft extension.
- Don't skimp on materials and small details. It may cost more but the result will be better and will enhance the value of your property.
- If you are planning to add to a leasehold flat remember you will need written agreement from the freeholder and planning permission.

For advice about structural alterations, contact the building control office of your local council. *Planning: A Householder's Guide*, an environment department publication, explains when planning permission is needed.

Names of qualified local architects and surveyors are available from the Incorporated Association of Architects and Surveyors, Jubilee House, Billing Brook Road, Weston Favell, Northants NN3 4NW (0604 404121). The Royal Institution of British Architects (RIBA), 66 Portland Place, London W1N 4AD (071-580 5533) recommends suitable architects.

If you use a builder without an architect, find someone recommended locally. Ask to see examples of his work, and check his references. Never pay in advance, and get a written agreement.

The Federation of Master Builders, Gordon Fisher House, 14-15

Great James Street, London WC1N 3DP (071-242 7583) supplies lists of members and operates warranties. Free booklets, *Property Doctor* and *What Will It Cost?*, are published by the Royal Institution of Chartered Surveyors, Surveyor Court, Westwood Way, Coventry CV4 8JE.

Ideas for bathrooms and kitchens, wall and floor coverings, heating and home security may be sparked at the Building Centre, 26 Store Street, London WC1E 7BT (071-637 1022). Skilled workmen (painters, decorators, stone masons, for example) can be recommended by the Building Employers Confederation, 82 New Cavendish Street, London W1M 8AD (071-580 5588).

Anyone with roofing problems should contact the National Federation of Roofing Contractors, 24 Weymouth Street, London W1N 3FA (071-436 0587), which supplies regional lists of approved members. The Institute of Plumbing's business directory of registered plumbers is available at most libraries and Citizens Advice Bureaux. Or write to the IOP, specifying your area, at 64 Station Lane, Hornchurch, Essex RM12 6NB (04024 72791). The National Association of Plumbing, Heating and Mechanical Services Contractors, Ensign Business Centre, Westwood Way, Coventry CV4 8JA (0203 470626), lists local members.

The Electrical Contractors Association, ESCA House, 34 Palace Court, London W2 4HY (071-229 1266), lists members who have passed its quality test. From the same address, the Heating and Ventilating Contractors Association (071-229 2488), supplies lists of local members and guarantees home heating work for a year. A list of recognised installers can be supplied by the National Cavity Insulation Association, PO Box 12, Haslemere, Surrey GU27 3AH (0428 654011). From the same



Master craftsman Ron Woods, of G Jackson & Sons, models a panel.

address, the Heating and Ventilating Contractors Association (071-229 2488), supplies lists of local members and guarantees home heating work for a year.

A list of recognised installers can be supplied by the National Cavity Insulation Association, PO Box 12, Haslemere, Surrey GU27 3AH (0428 654011). From the same

address and telephone number, the Draught Proofing Advisory Association supplies lists of local contractors. The Glass & Glazing Federation is at 44-48 Borough High Street, London SE1 1XB (071-403 7177).

The Interior Decorators and Designers Association publishes a leaflet, *Should I Use An Interior*

Designer?, and the IDDA Directory. Both are free from the IDDA, Crest House, 102-104 Church Road, Teddington, Middx TW11 8PY (081-977 1105). For specialist craftsmen, such as carpenters and joiners, contact the Guild of Master Craftsmen, Castle Place, 166 High Street, Lewes, East Sussex (0273 478449).

## ROOM FOR IMPROVEMENT

**The Antique Fireplace Specialists**

Suppliers of cast iron grates, decorated tiles, timber surrounds, living flame gas fires, hearths and replacement parts.

Installations and restorations throughout the North West, delivery anywhere.

PHONE 051-727 3578 FOR FREE BROCHURE

**Phoenix Fireplaces**

51 LARK LANE, SEFTON PARK, LIVERPOOL L7

**Antique Buildings Limited**

DUNSFOLD SURREY - TEL: 048 649 477

We specialise exclusively in Ancient Timber Framed Buildings

We are architectural consultants who specialise exclusively in the restoration, extension, conversion, dismantling and re-erecting of ancient oak framed buildings. We have received six conservation and historic building design awards for our work.

Our extensive stock of ancient oak beams (over 15,000 cubic feet stored under cover) hand-made bricks, rag tiles and roofing stone is second to none.

We have over thirty years' experience in the restoration and repair of ancient oak framed buildings, listed and unlisted.

Each building has been painstakingly drawn, sketched, photographed and measured before being carefully dismantled.

Whether we supply a beam or a barn we are always pleased to offer professional advice.

**THE ORIGINAL CHOICE**

Antique Fireplaces & Stained Glass

Good examples of antique and reproduction fireplaces, fireplace mantels, cast iron stoves, chimneys, firebricks, tiles, grates, hearths, and more. All made to order. Large stock of antique and reproduction fireplaces, fireplace mantels, cast iron stoves, chimneys, firebricks, tiles, grates, hearths, and more. All made to order.

All work done by our own skilled staff and fully guaranteed. Design and construction service. Established over ten years.

All fireplaces suitable for solid fuel or gas/coal fire. Dismantling of KOBALINGA 881 approved BDT and other fireplaces. Free estimates. Free delivery. Free installation.

WIMBORNEHAM 012-748 3821  
1340 Stamford Road (A14), Hall Green B26 9BB  
WIMBORNEHAM 012-748 3821  
50 The Tynning (A14/M4), WREX 12T

**HAMLET**

SOLID PINE & OAK FURNITURE

Straight and Simple or Traditional Curves

Hamlet make a range of furniture to suit you and your home.

Choose pine or oak but always choose SOLID WOOD.

Beds, Chests, Bookcases, Tables, Kitchens etc.

See our full range in our Showrooms at, Yate (Bristol) Chobham (Surrey) Darlington

COUNTRYWIDE DELIVERIES

Please send me a free colour brochure.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

HAMLET FURNITURE  
Dept T3, Waverley Road, Yate, Bristol, BS17 5JT.  
Telephone: (0454) 319499  
(24 hours)

A cleaning service for restoring your plaster mouldings. Specialists in repairing and matching Victorian and Edwardian cornices and ceiling pieces. Callings removed. - Estimates Free

E.G. MILLAR (PLASTERING) LTD. EST. 1959  
54 HAWKWOOD CRESCENT, CHINGFORD, LONDON E4 7FJ  
TEL: 081-529 0411

**LOFT CONVERSIONS LTD**

6 FORDWATER TRADING EST. FORDWATER ROAD, CHERTSEY, SURREY

Free Design & Quotation  
Plans Drawn  
Planning Permission Obtained  
5 Year Guarantee

**CHERTSEY (0932) 562054-5-6**

**Out of the Wood**

HANDMADE KITCHENS, BEDROOMS & FURNITURE IN OLD PINE, ENGLISH OAK AND HANDPAINTED FINISHES

1 Saxon Park, Affinity Road, Salford, East Sussex (0323) 898755

**APEX DOUBLE GLAZING LTD**

MANUFACTURERS OF ALUMINIUM WINDOW DOORS & SECONDARY GLAZING SYSTEMS. Landed Lights - Georgian Windows UPVC & Hardwood Windows. Factories & Hotels Supplied.

PERSONAL SERVICE. HAVE YOUR DOUBLE OR SECONDARY GLAZING FITTED BY APEX. PLEASE CALL FOR A FREE ESTIMATE. SHOWROOM & FACTORY: 67, FORDWATER ROAD, LONDON W9 1DQ. TEL: 081-451 3577/8. TEL: 081-458 5161/2.

**De. Old Oak Beams**

MANUFACTURERS OF OLD ENGLISH BEAMS EXCLUSIVELY IN TURKEY. Special agent effect used on all our products.

Three advantages of our design: 1. PLANNING 2. SHAPING 3. FINISHING. 4. COSTING 5. FINE SUPERIOR 6. HANDLES.

Interior Design Services, 1A Moorfield Road, 70 Moorfield Road, Chertsey, Surrey, GU14 6JH. Tel: 01889 550433. Fax: 01777 808781.

**CHIMNEY LINING**

MODERN TECHNOLOGY

TRADITIONAL CRAFTSMANSHIP

Tel: 0933 850433 Fax: 01777 808781

**FULHAM PALACE GARDEN CENTRE**

BISHOPS AVENUE, LONDON SW6 6EE  
071 736 2640/9820

Informal & friendly staff offering an extensive range of Quality Plants, Pots & Windowboxes. Delivery service available.

Opening hours: Mon-Thurs 9.30-5.30, Friday & Sat 9.30-6.00, Sunday 10.00-5.00. Bank Holidays.

**RENUBATH SERVICES (LONDON)**

Bath Resurfacing, Cleaning & Enamel Repairs

248, Little Road, Fulham SW6. 071-381 8337

**Victorian Wood Works**

HARDWOOD FLOOR SPECIALISTS

- Flame Proofing - Initial Borders
- Wood Block - Herringbone
- Strip and Plank
- Marble and Polish

All and every type of wooden floor. Re-laminated Engineered Timber.

148, ALBANY ROAD, N16 071-241 2230

**ANDY'S ALL-PINE STRIP AT OBQ**

OLYMPIA'S LARGEST DRIVE-IN STRIPPER

13 x 7 ft Tank  
Olympia Bridge Quay  
70 Russell Road, (Opp 24)  
London, W14 5YL  
071-602 0856  
071-602 8655

**K.R. GARDNER DECORATING & ROOFING**

(15 YEARS EXPERIENCE)

- ALL TYPES OF INTERIOR & EXTERIOR DECORATING
- ALL TYPES OF GLASSING & ROOFING
- NO JOB TOO SMALL
- ALL NEW WORK GUARANTEED

FOR FREE ESTIMATES & ADVICE

TELEPHONE: 0932 763443  
081 882 3231

**The Original "Hammerhead" Pot**

(Patented) a. p. a. a small round or large cupboard in which provisions, cooking utensils, bread, fruit, etc. are kept.

The simple and natural storage method for almost any above in almost any home.

Nationwide design and installation service

**Hampshire Country Pieces**  
Whitehill, Bordon, Hampshire  
Tel: 0420-429670  
Fax: 0420-473450  
Please telephone for details

**CREATIVE IMPRESSIONS**

Texture Mats® from California USA and the market leader in pattern imprinting in concrete. Now for the first time they are available in the UK to Approved Contractors.

- Large Range of Patterns
- Fastest Potential
- Full Company Support
- Video Available
- Domestic & Commercial Application

The Studio  
Rickmansworth  
Herts WD3 2ND  
Tel: 0823 779633  
Fax: 0823 774713

**ANTHONY BLAKEMORE DESIGNER ARTIST**

Period Decoration, Moulding, Woodgraining, Staining, Distressing and More.

Nationwide service  
TEL: (0894) 584608.

**Stained Glass LEADED WINDOWS AND TIFFANY LIGHTS**

DESIGNED, PRODUCED AND REPAIRED

Chesham Old Stained Glass Studio  
0494-227-5075  
Unit 2, 15 Springfield Rd, Harrow, Middx, HA1 1QF.

**CLASSICANA**

The Simple Collection. For elegant and period compatibility. Classicana presents this distinct range of light switches and ceiling pendant cones. Mounted on solid oak they are finished by hand in Polished Brass, Silver Plated or Black. Prices start at £24.99 for the pendant and £26.99 for the light switch.

For our colour brochure, write to: Classicana Ltd (TMC) The Oak Tree Yard, West Herts, Stevenage, SG2 9JY. Tel: 0438 818888. Fax: 0438 818963.

**TRADITIONAL HOUSE SIGNS**

Each plaque is hand painted to individual customer requirements. Write or phone now for brochure.

**DAVID SHARP CERAMICS**  
85 The Mill, Dept. East Sussex TN31 7BN  
Tel: (0732) 222823, 84741.

**D.T.E. HUSSEY**

Specialists in restoration of fine period furniture. French polishing and re-upholstering. For details call: Leaburn, Haroldslee, Drive, Hove, Surrey. Tel: 0293 786202.

**GUY F. BAGSHAW PERIOD FURNITURE RESTORATION INDIVIDUALLY MADE**

FINE FURNITURE

Members of British Antique Furniture Restorers Assn.

Workshop listed with The Conservation Unit  
Pain Farm, Old Dairy  
East Tisted, Alton  
Hampshire, GU34 3RT  
Listed (042058) 362

**THE BLACKSMITHS SHOP**

MAKERS & REPAIRERS OF TRADITIONAL QUALITY HAND WROUGHT IRON

Gates, fire hobs, weather vanes, lanterns & signs, bellows & D.I.Y. tools, saws, hammers, chisels, nails, rivets, and more. Repairs and alterations. Open Monday to Friday 10.00-5.00pm. 14-15, Little Street, London EC4A 3DF. Tel: 0207 613333. Fax: 0207 613333.

**Quilted and Outline Quilted**

Custom made quilts and cushions. Quality and efficient service offered in interior design, home textiles and soft furnishings.

Headline Ltd.  
5 Bishop Meadow Rd.  
Loughborough Industrial Estate  
Loughborough LE11 0RE  
Tel: 0509 610693  
Fax: 0509 268147

**ADRIAN GYENT**

ANTIQUE OAK FLOORS

Any type of wooden floor. Original oak or new. Re-laminated, stained, polished, or painted. Free estimates. Tel: 0291 690709. (W. of the Severn Bridge)

**ALL WEATHERING**

For quality all weathering to your choice of design. Weathered in black, grey or natural for the life effect.

TEL: 0822 220996 for brochures.

**A Rural Experience Ltd**

Specialist heating Reconditioned AGA's, multi fuel stoves, traditional inglenooks, floor plates, cookware

Tel: 0246 420627

**The Fireplace... at the heart of the home**

The Fireplace Centre  
0372 723899

BRUNNEN STONE LIMITED  
BURNHAM ROAD  
SPRINGFIELD, KENT ME4 6EL

**The Emporium of Garden Commodities**

Full Range of Natural Stone & Water Garden Products & Lead Fontaines & Statues. Free Home Delivery. Specialists in Old York Stone. Free Nationwide Deliveries.

**Norfolk Garden Supplies**

100-102, The Strand, Norwich, Norfolk NR1 1JH. Tel: 01603 613333.

**SOLID WOOD WORKTOPS**

In Oak, Ash, Beech and Maple. Any shape or size. Compare our quality and price. Phone NOW for Free leaflet. Victoria Road, Letch (0232) 441523. Trade Enquiries Welcome.

**BARLEY TWIST**

Star spinners & parts. Plain rounds. Lanes etc.

Quality guaranteed. Delivery throughout UK. TEL: 0964 613280. FAX: 0964 613981.

**Mar**

Various small advertisements and notices on the right margin, including "FARMHOUSINKS", "ENTERPRIS ZONE", and other local business listings.



# Market pins hopes on 1992

Business confidence has suffered in the past six months as the recession has continued to affect the property market, Jones Lang Wootton reports in its latest property confidence review. However, the economy has not affected property confidence in general, the report concludes.

The research for the twice-yearly report was done in January, before the end of the Gulf war and the fall in interest rates. Mike Koudra, a Jones Lang Wootton partner, says that although the businesses surveyed reported they were generally less confident about the next six months, they saw 1991 as the lowest point of the recession and expected improvements in 1992.

The review, covering the south-east, was based on interviews with 650 businesses, employing more than 620,000 office workers and occupying nearly 95 million sq ft. Only 18 per cent said they were more optimistic about the next six months, compared with 36 per cent in last July's survey. This drop in confidence affects all business sectors. Insurance companies, however, showed a greater proportion with more confidence (16 per cent) than with less confidence (14 per cent).

A more optimistic view of the future comes from David Ormerod, the managing director of Legal & General Property. He says in the company's bulletin, *Outlook*, that there is little prospect of immediate relief for the market's ills, but emphasises that the inherent investment strength of prop-

erty presents opportunities for buyers taking the long-term view. Mr Ormerod says the long-term benefits of property investment still apply, but individual portfolios will have to be adjusted to make them perform in the short to medium term.

He says: "It is significant that the gap between the long and short property yields has narrowed dramatically. At prevailing yield levels, selective purchases are attractive and, while pension funds were net disinvestors in the third quarter of last year, it is worth noting that life funds invested some £340 million."

Jones Lang Wootton's report, however, says that the only businesses expecting to increase office staff during the next year are those in professional services, while all other sectors predict they will reduce numbers. Most of the job losses are expected to be across all levels and departments, although some employers, particularly in foreign banking, said they will result from the closure of particular departments and the streamlining of office operations.

Office employment is expected to fall by 2.1 per cent during the next year in the southeast, compared with a forecast increase of 0.3 per cent in the previous survey. The most commonly stated reason for job losses is the slowing of business because of the recession, leading to reorganisation, cost-cutting and natural wastage, but some employers report staff losses through relocation.

The electronics sector appears likely to be hit hardest, expecting a fall of nearly 9,000 jobs in the next 12 months. These businesses are gaining fewer orders and facing increasing price competition for their products. They have reacted with cost-cutting and restructuring programmes to improve efficiency.

Twenty four per cent of the businesses interviewed expect to take office space in the near future, compared with 32 per cent six months previously. Although the percentage of the need for more office space because of business growth has fallen in the past year, the survey notes that expansion is the main reason given for requirements in 41 per cent of cases, despite the recession.

The City of London remains the most popular location, accounting for 39 per cent of demand, although it was 44 per cent six months ago. Space preferred in the rest of London has increased from 16 to 28 per cent. Of this, nearly half is sought in London Docklands by companies intending to move from central London.

## A tower at £10 a foot

SOUTH Quay 3, the biggest vacant building in London Docklands outside Canary Wharf, is Europe's most competitively priced new office building, its owner, Wyn-Ro Properties, claims. The 210,000 sq ft, 14-storey building, a victim of the property slump, was acquired from the receivers Ernst & Young, and is to be let from £10 a sq ft. The offices, which are being improved, are fully air-conditioned, and have raised floors and suspended ceilings. There are 193 car spaces. The agent, Savills, believes South Quay 3 will prove to tenants that the market has bottomed out.

## Shelling out

TAYLOR Woodrow Developments has pre-sold its top-specification 55,800 sq ft scheme at West Street, Brighton, to the locally based Family Assurance Society at a price reflecting a rent of slightly more than £20 a sq ft. This makes the deal one of the biggest in the town's commercial property market in recent years.

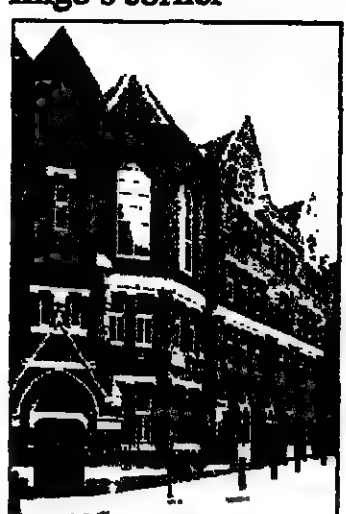
## Park grows millions

COORDINATED Land & Estates is to sell most of its Clydebank business park near Glasgow to the Laker Richmond (Glasgow) 1991 Trust for nearly £19 million. The trust is to buy two speculative office developments, Blair Court and Stirling House, and two buildings pre-let to Clydesdale Bank. The rents are £12 a sq ft

through Richard Ellis and St Quintin.

Tom King, Coordinated's managing director, says that, as Glasgow rents are nudging £20 a sq ft, Clydebank business park is gaining popularity with tax investors and occupiers. Coordinated is also developing the 55,000 sq ft Dunrobin Court at the park and marketing it to tax investors seeking investments of between £105,000 and £300,000.

## Inigo's corner



Inigo Jones House (above), in Covent Garden, central London, is a 130-year-old Grade II listed building in an ecclesiastical style. The 5,500 sq ft building, on the corner of Garrick Street opposite the Garrick Club, is now owned by the Thorn EMI Pension Fund, which has restored the brick facade and arched stained-glass windows and is asking £35 a sq ft through Joiner Cummings.

To Place Your Advertisement

Trade: 071-481 1986  
Private: 071-481 4000

## COMMERCIAL PROPERTY

Fax Numbers:  
071-481 9313  
071-782 7828

### MAPLE HOUSE

**TOP QUALITY**  
A superb new detached office development with 23 car parking spaces. Will be available for sale or lease.

**TOP VALUE** (rented at £27.40 per sq ft)  
**9,671 sq. ft. TO LET**  
WITH IMMEDIATE OCCUPATION  
Building is not registered for VAT.

CONSULTANT SURVEYORS  
091-878 8333

**Local London Group Limited**

New Kings Road  
Fulham Road  
Temple  
Hammer Smith  
Kings Cross  
Knightsbridge  
Euston  
Covent Garden  
Haymarket  
Tottenham Court Road

From 150 Square Feet  
Competitive Rates  
Available for immediate occupation  
Call Central Lettings  
Today on: 071 321 0401

**KENT ENTERPRISE ZONE**

100% Capital Allowance Investments  
14.67% Return After Tax  
Industrial Units Freehold from £130,716  
2 year Rental Guarantee  
Contact Richard Kilner  
Ciffe Holdings Limited  
0634 290310

**SAUCTION**

1319 EIGHTEENTH STREET, N.W. - WASHINGTON D.C.

DISTINGUISHED 23,000 SQ. FT. OFFICE BUILDING  
ORIGINALLY PRICED AT \$3,998,000  
SUGGESTED OPENING BID: \$1,000,000  
SELLER FINANCING AVAILABLE  
(Certified or Cashier's Check Required to Bid)

Auction Date: Tuesday, April 9, 1991-3 p.m.  
Auction Location: The Madison Hotel

Elegant enough for an embassy, but spacious enough for your company's unique new business facility. Built circa 1900 as an in-town residence, the building contains thirty-seven offices, two conference rooms, library, elevator, grand foyer and sweeping curved central staircase. The property enjoys a prominent location just one block south of Dupont Circle in the Central Business District. For brochure, open house dates and terms of sale, call: (202) 393-4220

Steven L. Good, Licensed D.C. Broker in cooperation with  
**SELDON GOOD & COMPANY**  
Auctioneers, Realtors, Consultants  
through its affiliate Real Estate Auctions, Inc.  
333 West Wacker Drive, Chicago, Illinois 60606  
(312) 346-1300  
Strategic Offices Throughout America  
© 1991, Seldon Good & Company

**Enterprise Zone Developments**

**100% Tax Relief**  
FOR INDIVIDUALS AND COMPANIES  
100% IBA's are available on Industrial and Business units in the UK's leading Enterprise Zones: CORBY, and TYNESIDE  
GUARANTEED construction completion before the end of the zone designation periods—mid 1991.  
Investment Opportunities are also available within post '91 zones  
Prices range from £56,000 for individual properties  
Contact: Claire Hobson  
E2D Property Group Plc, World Trade Centre, London E1 8UN. Tel: 071-480 7513

**Enterprise Zone Developments**

**FOR SALE OR TO LET**  
Swansea Valley (Astradgynlais)  
Substantial modern factory unit and offices.  
Approx. 30,000 sq ft + cutting plant area for an additional 10,000 sq ft. Development is the large car park. Leasehold 20/25 years. (Assessed area grants and finance available)  
Telephone: 0874 9251 for details

**REIGATE M25**  
4,100/9,975 SQ. FT.  
\* Suburb HQ Offices  
\* Air-conditioned  
\* Ample on site parking  
\* 15 Minutes Gatwick Airport

**ARE YOU CONCERNED ABOUT YOUR WORKING ENVIRONMENT?**  
If you feel full of energy, personal office suites with wall paneling, chandeliers, a garden area, swimming pool, marble reception and a great atmosphere would enhance your business.  
Please call 071-226 6200

071 491 1607

### The Waterfront

DUDLEY, WEST MIDLANDS

ENTERPRISE ZONE BENEFITS

NO RATES UNTIL 1994

SUPERB LANDSCAPING OVERLOOKING MARINA

MONORAIL CONNECTS TO MERRY HILL SHOPPING CENTRE

CLOSE TO THE M5 (JUNCTIONS 3, 4)

STATE OF THE ART SECURITY FACILITIES  
CRECHE FACILITIES

IAN STRINGER  
GRIMLEY J.R. EVE  
021-236 8236

SIMON CORNER  
RICHARDSON DEVELOPMENTS  
021-544 7111

**AVAILABLE FROM APRIL**  
**1,000 - 300,000 SQ FT**  
**THE REGION'S PREMIER OFFICE PROJECT**  
**AT £12.00 PER SQ FT**



AMPLE, FREE SAFE PARKING

### ROOM FOR IMPROVEMENTS

**RE-DECORATING**  
By Mail

10 years experience in all types of re-decoration. Free estimates. No obligation. Call today for a free brochure.

091-878 8333

**FARMHOUSE SINKS**

The timeless charm of white Farmhouse Long lasting and practical in a range of styles and sizes.

For further information:  
Tel: (0631) 73528

**ORIGINAL VICTORIAN BATHS SOLD & RE-ENAMLED**  
ALSO REPAIRS TO TAPS AND FITTINGS

TEL: 0542 885845

**OLD YORK STONE PAVING**  
Old stone brought.  
Nationwide delivery available.  
Telephone: 0942 864399

**ROCKINGHAM**

ESTABLISHED MAKERS OF TRADITIONAL CLUB FENDER SEATS  
Made to measure in brass, copper, polished or brushed steel, stone black enamel or wood. Seats upholstered in hand-dyed leather or fabric of your choice from £350 Plus VAT. At the same time we offer a totally free visit to measure your fenders.

Low Level Fenders in the same materials, custom-made or standard Club Fenders "Major Brand" for immediate delivery—details upon request.

Visit our showroom Ring for brochure.  
Grange Farm, Thorpe, Peterborough PE6 0PJ  
Tel: (0733) 279233 Fax: (0733) 279512

**PANELING, BOOKCASES, WARDROBES**  
and any other interior woodwork. Any style, timber or finish to your individual requirements. Please call Martin Gellay on 0865 310362

**POLLIDAY GARDEN DESIGN**  
C.L. DAY, GARDEN DESIGNER  
Professional garden design, landscaping, planting, lawns, water features, etc.  
36 The Terrace, Warrington, Cheshire WA1 1JL  
Tel: 0925 229546

**Kitchenalia**  
(Prop. Andrew Chilling)  
Specializing in kitchen and bathroom renovation. Free estimates. No obligation. Call today for a free brochure.

091-878 8333

**WIMBLEDON**  
Only £15 inclusive  
Image seeking. 450/725/950 sq ft in modern prestige block. Lavishly finished with many excellent features. Inc. ample parking.  
Tel 081 773 1411

**CROWN HOUSE**  
51 The Aldwych  
3,550 Sq Ft  
Superb new air conditioned office floor with car parking and spectacular views.  
Please Telephone 071 630 9421 or 071 638 8940 to arrange an inspection.

**FREEHOLD BUSINESS CENTRE**  
For Sale  
NW London. Well established high occupancy approx 8,500 sq ft as complete furnished offices. £285,000 complete.  
Please Reply to Box No 3136

**FREEHOLD WAREHOUSE**  
Close to M25, nr A12 junction.  
5,000 sq ft. Offers in the region of £385,000.  
Tel 081-502 5511.

**ONLY £20 PER SQ FT - New build**  
25 x 2 bright 5000 sq ft office units. 100 x 140 sq ft. 071 629 6004. Box 3047.

**POST OFFICE (Glasgow)**  
£18,000. House & shop with 200 sq ft. 071 629 6004. Box 3047.

**DOCKLANDS/CITY**  
EDGE  
Existing studio workshop to let. Helen McTear 081 523 4038

**INTERNATIONAL COMMERCIAL PROPERTY**



## Law Report March 20 1991

## Gambling club can sue on dishonoured cheque

Crockfords Club Ltd v Mehta  
Before Mr Justice Henry

[Judgment March 14]

A licensed gaming club could sue on an underlying loan when cheques which had been exchanged for gaming tokens in accordance with section 16 of the Gaming Act 1968 were dishonoured.

Mr Justice Henry so held in the Queen's Bench Division in a reserved judgment in open court after a hearing in chambers on an Order 14 summons brought by the plaintiff, Crockfords Club Ltd, against the defendant, Prakash Mehta for £245,000 plus interest.

Mr Stephen Phillips for the plaintiff, Miss Susanna Fitzgerald for the defendant.

MR JUSTICE HENRY said that when the defendant attended Crockfords on October 4 and 5, 1990 he needed credit to obtain chips. The only credit a casino could give was that defined in section 16(2) of the 1968 Act, that is, that the cheque was not post-dated and that it was exchanged for cash to an amount equal to the amount for which it was drawn.

The cheques were signed by the defendant on an account in the name of Logroft Holdings Ltd, a Panamanian company which had not been served and which did not appear.

The defendant lost the entire sum over the two nights and the company cheques were dishonoured.

The legal analysis of the transaction put forward by the plaintiff was that they lent money to the defendant to enable him to take part in gaming and they accepted the cheques as conditional repayment.

The defence was that the plaintiff's only remedy lay against the company based on the contention, *inter alia*, that (i) if there was a loan to the defendant, the company cheque was accepted in complete satisfaction and (ii) if the loan was to the defendant it was unenforceable as it amounted to the giving of credit to enable the defendant to participate in gaming which credit did not comply with section 16(2) of the 1968 Act.

Where a transaction occurred with the giving and acceptance of a cheque, ordinarily the cheque was conditional satisfaction. If the defendant wanted to show that the cheques were taken in absolute satisfaction, the onus was on him.

The defendant contended that the effect of section 16(2) enabled the plaintiff to succeed in an action against the company on the cheque but not to sue on the loan. The issue was whether section 16(2) permitted an ac-

tion against the defendant on the loan.

Miss Fitzgerald's construction of section 16 ran as follows: section 16(1) made it unlawful and criminal to give any loan or credit to enable anyone to take part in gaming, subject to subsection (2).

Subsections (2) and (3) permitted and validated credit given by cheque and it was only an action on the cheque which was allowed. Therefore, the plaintiff could successfully sue the company on the cheque but could not sue the defendant on the loan.

The difficulty with that argument was exposed when tested against the situation where a gambler obtained chips with his own cheque. According to Miss Fitzgerald there was no offence by obtaining the chips with the cheque but there was still a breach of section 16(1) in making the loan for which the cheque was conditional payment.

Miss Fitzgerald contended that all subsection (2) permitted were cheques which were absolute repayments. If that was the case, the true intention of Parliament the statute would have said so. The absence of any such express condition was fatal to Miss Fitzgerald's contention.

Solicitors: Lovell White Durrant; Mullinger Banks, East Ham.

## Confidentiality of wardship files

In re X, Y and Z (Minors)

Under the wardship jurisdiction, relatives, reporting officers, social workers and other professional people who provided reports were underpinned by an assurance of confidentiality which was an aid to candour. They could be inhibited from exercising that openness if it was thought that parties in collateral public litigation were afforded the right to search the wardship files.

MR JUSTICE WAINMAN stated in a Family Division judgment, delivered in chambers on March 14 and reported with his Lordship's consent, dismissing an application by a newspaper seeking leave, subject to undertakings to preserve confidentiality, to have access to wardship court files with a view to drawing up a list of documents and then seeking leave to disclose them in a libel suit.

HIS LORDSHIP said that the mere status of being a ward of court did not confer on the child the right to have his affairs cloaked in secrecy.

The privilege of confidentiality was that of the court and the wardship jurisdiction was to protect the court in the exercise of its paternal functions.

Relatives, reporting officers and social workers had become accustomed to an assurance of confidentiality as an aid to

candour and might be inhibited from exercising that openness in future if it were to be thought that a wide ranging facility was afforded to third parties in collateral public litigation to search files in which evidence would be given in the expectation of confidentiality. The familial jurisdiction would suffer if the application were to be granted.

The application had to be judged in the light of the proposed facility for inspection and disclosure upon the public interest in the libel action.

It was the duty of the party seeking disclosure to set out in precise terms what documents he already had, what other documents in the same category he believed to be in existence (including grounds for that belief) and to make a clear statement as to the extent to which justice would be at risk if access to the undisclosed material was denied.

Without any real attempt at precision the applicant claimed for a vast range of documents a relevance too widely asserted to enable the court to be satisfied that justice would be hindered or assisted in the libel action if the material were omitted or included.

The application was too wide ranging and potentially too disruptive and was dismissed.

## Judge should have given reasons for allowing amendment

Adam and Another v Hemming

A judge sitting in chambers according to a plaintiff's request to amend her writ by adding a new cause of action after a disgraced period of inexcusable and inordinate delay should include in the judgment his reasons for allowing the amendment.

The Court of Appeal (Lord Justice Ralph Gibson sitting with Mr Justice Scott Baker) so stated on March 8 in dismissing

an appeal by the defendant from Mr Patrick Bennett, QC, who, sitting as a deputy judge of the High Court in January 1990, granted leave to the plaintiff, Mrs Joyce Adam, to amend a writ of summons so as to include a claim for damages for personal injuries against the defendant, Mr Eric John Hemming.

LORD JUSTICE RALPH GIBSON said that it was not clear from what the deputy judge said what reasons he attached to the delay which had

occurred and whether he regarded prejudice to the defendant as having been established. Although it could not be expected that giving judgment in chambers the judge would explain the whole process of his reasoning, it was necessary for him to make it clear what his reasons were on the issue of delay.

The judge had failed to do so and thus the court had to consider the matter afresh without regard to his decision on the matter.

## Insurance intermediary's duty

Harvest Trucking Ltd v Davis

The duty of care incumbent on an insurance intermediary was similar to that on a broker and included the duty to ensure that the insured was made aware of any new and onerous or unusual terms which were conditions precedent to recovery under the policy.

Judge Diamond, sitting as a deputy judge of the Queen's Bench Division, so held on February 15 when giving judg-

ment in favour of Harvest Trucking Ltd, the plaintiff in an action for damages for the negligence of Peter Davis, the defendant, in failing, as an insurance intermediary, to bring to the plaintiff's attention the nature and implications of a new and onerous clause inserted in his existing insurance cover.

HIS LORDSHIP said while the defendant was not a broker under the terms of the Insurance

Brokers Registration Act 1977 he performed essentially the same function and was a member of the British Association of Insurance Intermediaries.

The code of practice of the association, while not statutory, showed the standards which applied were not considered unrealistic in the industry. It was beyond argument that the defendant had a significant duty to explain all essential provisions of the cover.

## European Law Report

## Luxembourg

## Ecological considerations in coastal protection

Commission of the European Communities v Federal Republic of Germany (supported by United Kingdom, Intervener)  
Case C-57/89

Before G. Duijn, President and Judges G. F. Mancini, T. F. O'Higgins, G. C. Rodríguez Iglesias, M. Diez de Velasco, Sir Gordon Slynn, C. M. Kakouris, R. Jolles, F. A. Schöckweiler, F. Grévisse and M. Zuleeg  
Advocate General W. van Gerven  
(Opinion December 5, 1990)  
(Judgment February 28)

Measures taken by a member state which resulted in a reduction in the extent of a special protection area could be justified only on exceptional grounds corresponding to a general interest represented by the ecological objective of the directive on the conservation of wild birds and such measures were confined to a strict minimum, involving only the smallest possible reduction of the special protection area.

The Court of Justice of the European Communities so held in rejecting an application brought by the Commission for a declaration that by planning or undertaking works detrimental to the habitat of protected birds in a special protection area contrary to article 4 of Council Directive 79/409/EEC of April 2, 1979, on the conservation of wild birds (OJ 1979 No L103, p1), the Federal Republic of Germany had failed to fulfil its obligations under the EEC Treaty.

The Commission's application related to certain dyke building operations carried out in the Leybucht, north-west Germany, which, according to the Commission, disturbed birds which enjoyed special protection under article 4(1) of the directive and damaged the habitat which had been designated as a special protection area.

According to the Commission, both the construction work in the Leybucht and its results entailed deterioration in the living conditions of protected birds and the loss of land areas of considerable ecological importance, thereby leading to lower population densities for some of the species of birds listed in Annex 1 to the directive, in particular the avocet.

According to the German Government, the sole purpose of the operations was to secure the safety of the dyke. During the planning stage of the project, the competent authorities had taken account of all bird conservation requirements and balanced them against the requirements of coastal protection.

It added that the Commission had not furnished any evidence as to all that the measures at issue significantly impaired the protection of those birds.

In its judgment, the European Court of Justice held as follows: With regard to the boundaries of the special protection area in question, it had to be pointed out that the boundary of the Leybucht was defined by the riparian creating the national park and the maps appended thereto.

Although the plan of the area did include a reference to the regional planning scheme, the legal measure designating the special protection area nevertheless set out its precise territorial delimitation, constituted by the present line of the dyke. The displacement of the dyke towards the sea as part of the coastal defence project thus entailed a reduction in the protected area.

Consequently, in order to resolve the present dispute, it was necessary to determine whether, and if so, under what conditions, the member states were authorised to reduce the size of a special protection area and in what circumstances other interests might be taken into account when a decision of that kind was taken.

With regard to the powers of the member states to review in that way the decision to classify an area as a special protection area, it had to be stated that a reduction in the geographical extent of a protected area was not expressly envisaged by the terms of the directive.

Although the member states did have a certain discretion with regard to the choice of the territories which were most suitable for classification as special protection areas pursuant to article 4(1) of the directive, they did not have the same discretion under article 4(4) in modifying or reducing the extent of the area, since they had acknowledged in their declarations that those areas contained the most suitable environments for the listed species.

If that were not so, the member states could unilaterally impose on them by article 4(4) with regard to special protection areas.

That interpretation of article 4(4) was borne out, moreover, by the recitals in the preamble, which underlined the particular importance which the directive attached to special conservation measures concerning the habitats of the birds listed in order to ensure their survival and reproduction in their area of distribution.

It followed that the power of the member states to reduce the extent of a special protection

area could be justified only on exceptional grounds.

Those grounds had to correspond to a general interest which was superior to the general interest represented by the ecological objective of the directive. In that context, the interests referred to in article 2 of the directive, namely economic and recreational interests, could not enter into consideration. That provision did not constitute an autonomous derogation from the general system of protection established by the directive.

With regard to the reasons put forward in this case, it had to be stated that the danger of flooding and the protection of the coast constituted sufficiently serious reasons to justify the dyke works and the strengthening of coastal structures as long as those measures were confined to a strict minimum and involved only the smallest possible reduction of a special protection area.

With regard to the part of the project concerning the Leybucht area, the line of the dyke had been influenced by considerations relating not only to coastal protection, but also to the concern to ensure that fishery vessels from Grevelingen had access to the harbour.

In the light of the principles for the interpretation of article 4(4), taking account of such an interest was in principle incompatible with the requirements of that provision.

However, that part of the project had at the same time specific positive consequences for the habitat of birds. Once the works were completed it would be possible to close two navigation channels which crossed the Leybucht, with the result that the Leybucht would be left in a more favourable state.

The desire to ensure the survival of the fishing port of Grevelingen could thus be taken into account in order to justify the decision on the line of the dyke because there were the above-mentioned offsetting ecological benefits, and solely for that reason.

Finally, the disturbance arising from the construction work itself did not exceed what was necessary to carry it out. Information concerning the number of avocets in that sector of the Waddenmeer showed that during the period in question there had been no significant change in population trends or that species.

On those grounds the European Court:

1. Dismissed the application.
2. Ordered the Commission to pay the costs, including the costs of the intervenor and those relating to the application for interim measures.

## Procedure for appeals from district judges

Practice Direction: Appeals from District Judges

The procedure for expediting the hearing of appeals in the Queen's Bench Division matters from district judges on all appeals was set out in a practice direction handed down by Lord Lane, Lord Chief Justice, sitting in the Queen's Bench Division with Mr Justice Roch and Mr Justice Morland on March 15. The procedures were to apply from April 9.

The LORD CHIEF JUSTICE said:

1. In order to ensure that a complete set of papers in proper order was available for perusal by the judge before hearing such appeals, the parties in advance of the hearing had to lodge in the civil listing office of the trial centre concerned a bundle properly paged in order of date and indexed, containing copies of the following documents: (i) the notice of appeal; (ii) the pleadings, if any; (iii) copies of all affidavits (together with exhibits thereto) upon which any party intended to rely; (iv) any relevant order made in the action;

(v) notes (if any) of reasons given by the district judge, prepared by the district judge, counsel or solicitors.

The bundle was to be agreed. The originals of all affidavits intended to be relied on were to be bespoken or produced at the hearing and all exhibits thereto were to be available.

2. Where a date for hearing had been fixed, the bundle had to be lodged not later than three clear days before the fixed date. For appeals where there was no fixed date for hearing, the bundle had to be lodged not later than 24 hours after the parties had been notified that the case was to appear in the warned list or, if that was not possible, it had to be lodged as soon as practicable thereafter.

3. Except with leave of the judge, no document could be adduced in evidence or relied on unless a copy of it had been lodged and the original bespoken as aforesaid.

4. In cases of complexity a skeleton argument or, where that would be helpful, a chronology should be lodged at the same time as the bundle.

## COMMERCIAL PROPERTY

On behalf of **MURRAY BS**  
LIMITED  
The North East's Premier Office Development

## Dunedin House

RIVERSIDE QUAY · JEESDALE

TO LET

- ★ Available Summer 1991
- ★ Available in suites of 8,000 sq. ft. to 10,000 sq. ft.
- ★ Riverside frontage
- ★ Imposing public entrances
- ★ Attra to all four floors
- ★ Raised floors and suspended ceilings
- ★ Ample landscaped car parking area



MH A JOINT VENTURE BETWEEN MURRAY INTERNATIONAL HOLDINGS AND BANK OF SCOTLAND

## Storey Sons &amp; Parker

CONSULTANT SURVEYORS

(0642) 230800

St James House, 139 Albert Road

Middlesbrough TS1 2PP

## TRURO CORNWALL

Prestige offices to let  
1,000 to 12,000 sq.  
ft. City centre  
location. Adjacent  
public car parks. 1st  
time advertised.

Tel  
(0726)  
890 555.

## LUXURY OFFICES AVAILABLE TO LET.

2 mins Old St Tube  
Station. Short/long  
term. 61 - 440 sq ft.  
From £30pw.

Tel 071 490 1400.  
Fax 071 253 0583.

## BRAND NEW LUXURY OFFICES AVAILABLE TO LET.

Close to Old St  
Tube Station. 1,800  
sq ft - 7,000 sq ft.  
From £10 per sq ft.  
Tel: 071 490 1400  
Fax: 071 253 0583

## The Commercial Property EXCHANGE

"Satisfying Commercial  
Property Requirements  
NATIONWIDE. FREE"

FOR DETAILS CONTACT  
0772 722277/0772 61818

## CHESTER CITY CENTRE

Modern 3 story building and  
basement Approx 11,500 sq ft on  
site of approx 5,800 sq ft. Parking  
space, 10 vehicles. Freehold and  
long leasehold. Enquiries  
telephone (0978) 85 3324.

## THE TIMES

COMMERCIAL PROPERTY  
APPEARS EVERY  
WEDNESDAY

To place your advertisement  
telephone

Mandy Jones on

071 481 1986

## 22 Dorset St. W1

700/2000/4000 sq.ft.

To Let

- Parking
- Air Conditioning
- Flexible Leases
- Lift
- Refurbished

Philip Preece

DRUCE

071-486 1252

## First she read The Times. Then she bought my flat.



Out of a total readership of 1.2 million, no less than 85% of The Times' readers own their homes. At any one time, 124,000 of them are hoping to move within the next six months - possibly into your home.

And by using our Special Offer coupon, you can tell all these prospective buyers more about your house, while saving money. Just place a three line advertisement using this coupon within four weeks, and you'll get a fourth line absolutely free.

A four-line ad normally costs £25.30\*, including VAT. But use the Special Offer coupon, and these four lines will only cost you £18.97

So if you want to sell your house, put four lines in The Times. You're not likely to find an estate agent's window as big. Please ensure your completed coupon arrives at least three days before the date of insertion.

Source: NRS July-December 1990

## BUY THREE LINES, GET THE FOURTH LINE FREE

Write your advertisement below (approximately 28 characters per line including spaces and punctuation)

No advertisements can be accepted under these special terms unless pre-paid. Cheques should be made payable to Times Newspapers Limited or debit card.

ACCESS ☐ VISA ☐ AMEX ☐ DINERS ☐

Card No.

This offer is open to private advertisements only. Trade advertisements will appear subject to the normal rates and conditions.

Sent to: Simon Goddard, The Times Classified Advertisement Manager, News International Ltd, P.O. Box 484, Virginia Street, London E1 9EL.

NAME

Address

Telephone (daytime)

Signature

THE TIMES







## ATHLETICS

# Marathon men issue writ over TV allegations

**By JOHN GOODBODY**

[illegible]

## Foundation faces cutbacks

As well as the redundancies, staff at the Stoke Mandeville headquarters will not be receiving a salary rise this year and funds for athletes' training and travel are to be cut drastically. It is an action which Francis calls "a prudent axing of costs to enable everyone involved in the organisation to share what pain there would inevitably be".

The BWSF will not be subsidising trips to overseas competitions unless they are vital pre-paralympic trials. Most athletes will have to use the World

## England squads to be sidelined for season

## England in command

**Wales:** K Pratt, A Howarth, W Casey, A Pierce, J Glubb, S Richards.

Changes made to the administrative structure of the BWSF since last December have resulted in more athletes on the committee, and hopes are now pinned on a successful paralympic appeal to refill the coffers.

Further questions may have to be raised, though, such as the need to maintain the expensive Ludwig Guttman Sports Centre in Aylesbury.

**THE TIMES**  
**UNISYS**  
ADT London  
Marathon Appeal

**Wildlife Preservation Trust,** founded by Gerald Durrell. The trust runs a sanctuary for rare birds, reptiles and mammals and, by organising controlled breeding programmes, hopes to preserve some of the world's most endangered species.

## RUGBY UNION

## England B team selection shows change in emphasis

By DAVID HANDS, RISKY CORRESPONDENT

ENGLAND'S success at senior level this season has not been echoed at other representative levels. Don Rutherford, the Rugby Football Union's technical director, may not regard victory at, for example, B and under-21 level as essential, but it is considerably better than losing, not least for the players involved.

Thus there has been a change in emphasis in the E team named yesterday to play Italy at Waterloo next Wednesday, particularly in view of the prospect of Italy giving many members of their World Cup squad a workout. In previous E teams this season there has been a development element, but after defeats against Ireland and France, the latest side resembles much more a national second XI.

XV. While the threequarters who played in the 10-6 defeat by France at Bristol on Friday have been retained — as have the two locks — there is change everywhere else. John Oliver, who has sat on the England bench watch-

## Welsh str

**WALES** have had little to cheer them this season, but at least a Welsh name will appear as the winner of the Commercial Union Universities Athletic Union (CUAAU) knockout competition today (David Hand writes). The university colleges of Swansea and Cardiff meet at Twickenham, with Swansea hoping that their third successive appearance in the final will be the luckiest.

They have eight survivors from the side beaten 25-16 by Leamtham.

ing his colleagues win a grand slam, takes over from Gary Pearce as captain in a side including eight senior caps - among them Andy Mullins, the Harlequins tight-head prop who played against Fiji in 1989.

David Egerton, who has missed five months of the season with a shoulder injury, has the chance to restate a case for inclusion in the World Cup party, as do John Hall and Andy Robinson, his Bath colleagues. But the most interesting selection is that of Martin Strett, the Orrell stand-off half, in a position where cover for Roy Anderson is most needed. *—Newcastle*

David Pears, of Harlequins, has received an extended run without stamping any great authority on the position so Strett, whose form as playmaker as well as goal-kicker has been an important factor in Orrell's league and cup success this winter, receives his chance. He is the only newcomer to B rugby and will have the experienced Steve Bates at scrum half to assist him.

## Students assured

among them Adeboye, the England 8 wing who plays for Bath. But it is 52 years since they won the competition outright (they shared the 1965 final with Durham) and they will be wary of Cardiff, who put out Loughborough in the semi-final.

Cardiff, in their modified form, have not appeared in a final before, but UWIST, with whom the university college merged some 18 months ago, won the tournament in 1976 and 1980.

Cardiff have named

Rutherford said: "A real row and branch job has been done on the back row because the original three did not appear to be sufficiently versed in what was needed. The Bath unit will give far more in all areas." Sadly, this has meant dispensing, for the time being, with the

B team rugby has also reached divisional level; the South-West and London meet at Weston on March 27, though back-row men, Derek Eves and Paul Collings, may be missing. The will also be without Simon Morris, the promising Gloucester centre, who has broken his thumb and may not play again this season.

**ENGLAND 12 (v. Italy):** A. Bazzani (Waspo),  
Harrison (Harcquir), J. Barchion (Sarr-  
corn), G. Thompson (Harcquir),  
Adelego (Ram); M. Sarrdi (Corral), S. Bala-  
Waspo; G. McInnes (Waspo), J. Olive  
(Northampton, captain), A. Mullins (Harc-  
quir), J. Hall (Bath), N. Redman (Bath),  
O'Leary (Waspo), A. Robinson (Bath),  
Egerton (Bath), Rappacornato (Harc-  
quir), J. Hogg (Northampton), D. Pugh (Harcquir),  
Hogg (Northampton), G. Dore (Bath), M. Hogg  
(Northampton), J. Hogg (Northampton).

**ed success**

unchanged side for the youth international against Argentina at the Stoop memorial ground on Friday. After watching their side pipped at the post by Italy last Friday, the colts selectors have clearly decided to give the same players a second chance against Argentina, who warmed up against the Midland colts last night.

England let slip a 21-7 lead over Italy at Cambridge, losing 22-21 against a country which potentially gives them prob-

## RUGBY LEAGUE

## Australians venture to Melbourne

By KETIE MACELIN

**MELBOURNE** will stage a rugby league international match for the first time on July 3. The first of the three-match series between Australia and New Zealand will be staged in the capital of Victoria, which is a stronghold of Australian Rules football.

This will follow successful staging of rugby league representative matches in cities in other states, Darwin and Perth which are outside the rugby league enclaves of New South Wales and Queensland.

The referee for all three international matches will be John Holdsworth, of Leeds. The second and third matches will be staged at Brisbane and Sydney.

The three-division debate will be re-opened at League headquarters next month. The board of directors has arranged another special general meeting to reconsider the so-called Hetherington plan, which was vetoed early this month when 19 clubs voted in favour, two short of the 21 which would have given the merged three-

The plan envisages three divisions of 14, 8 and 14. Castleford the only first di-

vision club to vote against the scheme, are believed to have had a change of mind, though they seem to be in favour of a three divisions format of 12 clubs in each division.

When the original vote was announced, the chief executive, David Oxley, said it was "a black day for rugby league" and much lobbying has been done to persuade opponents of the need for a more competitive structure.

□ The student premiership final will take place at Warrington tonight between West London

## Welsh students assured success

**WALES** have had little to cheer them this season, but at least a Welsh name will appear as the winner of the Commercial Union Universities Athletic Union (CUAAU) knockout competition today (David Hand writes). The university colleges of Swansea and Cardiff meet at Twickenham, with Swansea hoping that their third successive appearance in the final will be the luckiest.

They have eight survivors from the side beaten 25-16 by Leamtham.

among them Adeboye, the England 8 wing who plays for Bath. But it is 52 years since they won the competition outright (they shared the 1965 final with Durham) and they will be wary of Cardiff, who put out Loughborough in the semi-final.

Cardiff, in their modified form, have not appeared in a final before, but UWIST, with whom the university college merged some 18 months ago, won the tournament in 1976 and 1980.

Cardiff have named

unchanged side for the youth international against Argentina at the Stoop memorial ground on Friday. After watching their side pipped at the post by Italy last Friday, the colts selectors have clearly decided to give the same players a second chance against Argentina, who warmed up against the Midland colts last night.

England let slip a 21-7 lead over Italy at Cambridge, losing 22-21 against a country which potentially gives them prob-

vision club to vote against the scheme, are believed to have had a change of mind, though they seem to be in favour of a three divisions format of 12 clubs in each division.

When the original vote was announced, the chief executive, David Oxley, said it was "a black day for rugby league" and much lobbying has been done to persuade opponents of the need for a more competitive structure.

□ The student premiership final will take place at Warrington tonight between West London

**MACKIN**



Highbury awaits a possible sneak preview of the FA Cup final at Wembley

# Arsenal aim to topple Forest

By LOUISE TAYLOR

HIGHBURY is tonight set for not only a possible sneak preview of this year's FA Cup final but also another twist in the championship race. At least half of Merseyside will be taking an unusually keen interest in the first division match between Arsenal and Nottingham Forest in the hope the Londoners slip up.

Level with Liverpool on 60 points, Arsenal have their noses in front on goal difference but all that could change at Highbury where the two FA Cup semi-finalists could also be conducting a dress rehearsal for a commanding performance at Wembley in May.

Should Forest filter, and they have collected only three points from their last six League games, the psychological edge will be with Arsenal, who have completed one fixture less than Liverpool.

Arsenal have Anders Limpar and Perry Groves restored to fitness and pressing for places, and they will be heartened by the fact that the visitors will be without Steve Hodge, their influential mid-field player, who has a knee injury.

Several individuals should still be more than delighted following their inclusion in Graham Taylor's England squad to face the Republic of Ireland next week.

Nigel Clough, Des Walker, and Stuart Pearce, from Forest, and Tony Adams, David Seaman and Alex Dixon, of Arsenal, have been included in the senior squad, while the London forward pair of Alan Smith and Paul Merson are on stand-by.

The England Under-21 squad features Kevin Campbell, who scored both Arsenal goals against Leeds United on Sunday, while Nigel Jenson, of Forest, is on stand-by.

By contrast, those who feel aggrieved at being overlooked will have points to prove tonight. Paul Davis, Michael Thomas, David Rocastle, Steve Bould, and Nigel Winterburn might all regard themselves as falling into this category.

Walker, the Forest and England central defender, will hope he improves on his performance against Arsenal.

## First division

	P	W	D	L	F	A	Pts
*Arsenal	27	18	6	3	50	12	60
Liverpool	27	18	6	3	52	24	60
QPR	27	16	7	4	39	32	55
Leeds	27	13	7	7	40	28	44
Man Utd	29	11	10	8	42	34	44
Man City	28	11	9	8	40	37	44
Wimbledon	28	10	11	7	42	35	41
Chelsea	29	11	7	11	43	47	40

\* 2 points deducted  
† 1 point deducted



- RACING 45
- TENNIS 46
- FOOTBALL 47

## SPORT

## MCC considers women's membership again

By RICHARD STREETON

WITHIN the next three weeks, MCC's 18,000 members will hear how the club plans to tackle the question of allowing women members for the first time.

Proposed rule alterations from two members, permitting women to join, appear on the agenda due out shortly for the annual meeting on May 1. It would be a surprise, though, if the necessary two-thirds majority was secured from a membership which, by custom, has been exclusively male for more than 200 years.

In a less radical move, the MCC committee is understood to

have tabled another resolution which could be seen as an acceptable compromise. Under the rule which allows it to elect distinguished persons to honorary membership, the committee is believed to have recommended that it should in future be allowed to select women for this category.

Women's membership first became an issue last October when Rachel Heyhoe-Flint, a former England captain and former women's cricket official, applied to join MCC. She had spotted that the constitution did not specifically debar women.

Her action followed only a few months after Middlesex asked



MCC if its women members could be permitted to use the Lord's pavilion during Middlesex matches at the ground. This is common practice among other

counties where women members have equal rights to all facilities.

It is understood that MCC plans to hold a postal ballot among its members on this closely related issue, which would only necessitate an amendment to the Lord's ground regulations rather than a change of club rule.

The questionnaire would also ask MCC members if they wished to be allowed to introduce their own women guests into the pavilion for all but the most important fixtures.

Though hard on Middlesex, a negative vote can probably be anticipated. Previously, the Queen has been allowed to watch cricket from the pavilion, but only women have been admitted only to certain areas after close of play.

From the time when first Middlesex and then Heyhoe-Flint set their requests in motion, MCC acknowledged that the decisions the club faced were momentous and should not be shirked. It now believes an appropriate mixture of choice has been offered for the members' decision and is resigned to the inevitable publicity, whatever is decided.

The resolution to allow women to become members is in the names of Tim Rice, the lyricist, and Brian Johnston, the commentator. They were among Heyhoe-Flint's original sponsors and were persuaded to submit proposals covering all women.

The omens for them are not good. Three years ago, when MCC conducted its own poll on the subject, 70 per cent of the 4,000 who voted were against women members. Should the unexpected happen, it would still be 20 years or more before any woman's name was reached on the club's waiting list.

The proposal for honorary membership for women was how the Lord's Taverners dealt with the same situation, and it has worked well. To follow suit would

be an imaginative gesture by MCC in the 1990s, when men-only clubs have become an anachronism. It could presumably be introduced without too much delay, justice would be done by the feminists and the most hidebound MCC member could surely not object.

The privileges available to the new category could be carefully spelled out. Heyhoe-Flint has consistently stressed that she has no wish to use the pavilion regularly nor to "rock the boat" in any other way. The few women likely to be accepted for honorary membership would almost certainly hold the same sentiments.

be an imaginative gesture by MCC in the 1990s, when men-only clubs have become an anachronism. It could presumably be introduced without too much delay, justice would be done by the feminists and the most hidebound MCC member could surely not object.

The privileges available to the new category could be carefully spelled out. Heyhoe-Flint has consistently stressed that she has no wish to use the pavilion regularly nor to "rock the boat" in any other way. The few women likely to be accepted for honorary membership would almost certainly hold the same sentiments.

## Marseilles close in on Europe's ultimate reward

FROM DAVID MILLER IN MARSEILLES

MARSEILLES' footballers tonight hope substantially to add to the glory that their predominantly southern compatriots produced in rugby defeat at Twickenham last Saturday. One goal can see them through to the semi-final of the European Cup: the trophy that French initiative helped to launch in 1956 but which no French team has ever won.

Reims and St Etienne both reached the final, only to lose respectively to Real Madrid, in their prime, and to Bayern Munich at Hampden Park when the French played nearly all the football in vain. It would be ironic if Franz Beckenbauer, the former captain of Bayern and now technical director of Marseilles, were nominally to guide France to their first champions triumph. It is well on the cards.

Beckenbauer had no experience of club management until Bernard Tapie, Marseilles' millionaire president, controversially gave him the job following West Germany's victory in the World Cup under Beckenbauer's less-than-firm hand. Happily, there was little evidence in the quarter-final first leg against Milan of the cynicism that Germany had shown in last summer's final against Argentina. There is every chance that tonight's encounter may be a proper football match played on positive lines by two teams neither of which is defence orientated.

Beckenbauer, who had the coaching responsibility re-

moved from him and handed to Raymond Goetals, formerly the coach of Standard Liege, during a pre-Christmas crisis, denied yesterday that Marseilles would play defensively for the goalless draw that would take them through to the semi-final following a 1-1 first leg achievement at San Siro.

Although Milan began the first leg in a confident manner, suggesting that they had every likelihood of winning the cup for the third year running — thereby emulating Real, Ajax and Bayern — they finished that match in some disarray. Marseilles revealed in the second half spontaneous, open man-to-man passing and in the Ghanaian midfielder, Papi, and in Papin in attack, together with a maturing Waddle in a roving role, they have the forces to dispossess Milan in every sense.

All is not well for the holders. They lost 1-0 at home



Beckenbauer: new role

to Atalanta in the league at the weekend and will still be without Van Basten in attack because of suspension. Even with Gullit once again fully fit, they were lacking in teeth in the first leg.

Arrigo Sacchi, Milan's coach, was yesterday putting on a brave front in the face of adversity. "Anyone who thinks we're going to be resigned to defeat," Sacchi said, "is making a big mistake. On the day, we are hoping to find the real Milan again."

Italian optimism is increased by the return of Baresi in defence, following injury which kept him out of the first match. In his absence, Milan were disorganised and often freezing. They survived the first round after being held at home by Brugge, but this is another matter.

Marseilles may suffer now from the absence of Pardo in midfield. He damaged a knee in training and will be replaced by Fournier. Papin, who missed the match against St Etienne at the weekend with flu — a 1-1 draw — will be back in the side, while Cantona, his international attacking partner, who was disciplined in the first leg and left at home for dissent with Goetals, is now expected to play.

"We're in good shape, very good shape at the moment," Goetals said yesterday. "We're ready, in spite of Pardo's injury, to reach for the aim we set ourselves."

I expect the French to get home 2-1, but any casualties could see Milan qualify on away goals in a 2-2 draw.

## Steele verdict not stainless

FROM SRIKUMAR SEN BOXING CORRESPONDENT LAS VEGAS

MIKE TYSON continued on his mission to regain the world heavyweight championship with a victory in the seventh round over Donovan "Razor" Ruddock here on Monday. But the crowd of 15,000 who packed the arena at the Mirage Hotel to cheer him sent him on his way with boos ringing in his ears.

Tyson, the boxer, may view the controversial victory through the intervention of the referee, Richard Steele, as a case of "finders keepers, losers weepers" but historians will record the win as an inconclusive one.

Tyson would almost certainly have finished the job had Steele let him continue belabouring the dazed Jamaican. But having separated the two men and turned to order Tyson to a neutral corner, Steele did not notice that Ruddock had recovered sufficiently to carry on.

Taking note of the fact that Ruddock had not only shown incredible powers of recovery in the two knockdowns in the second and third but came back strongly in the sixth to hurt Tyson, Steele should have given him a standing count. As Steele signalled the contest over, a surprised Ruddock was seen to exclaim "What?"

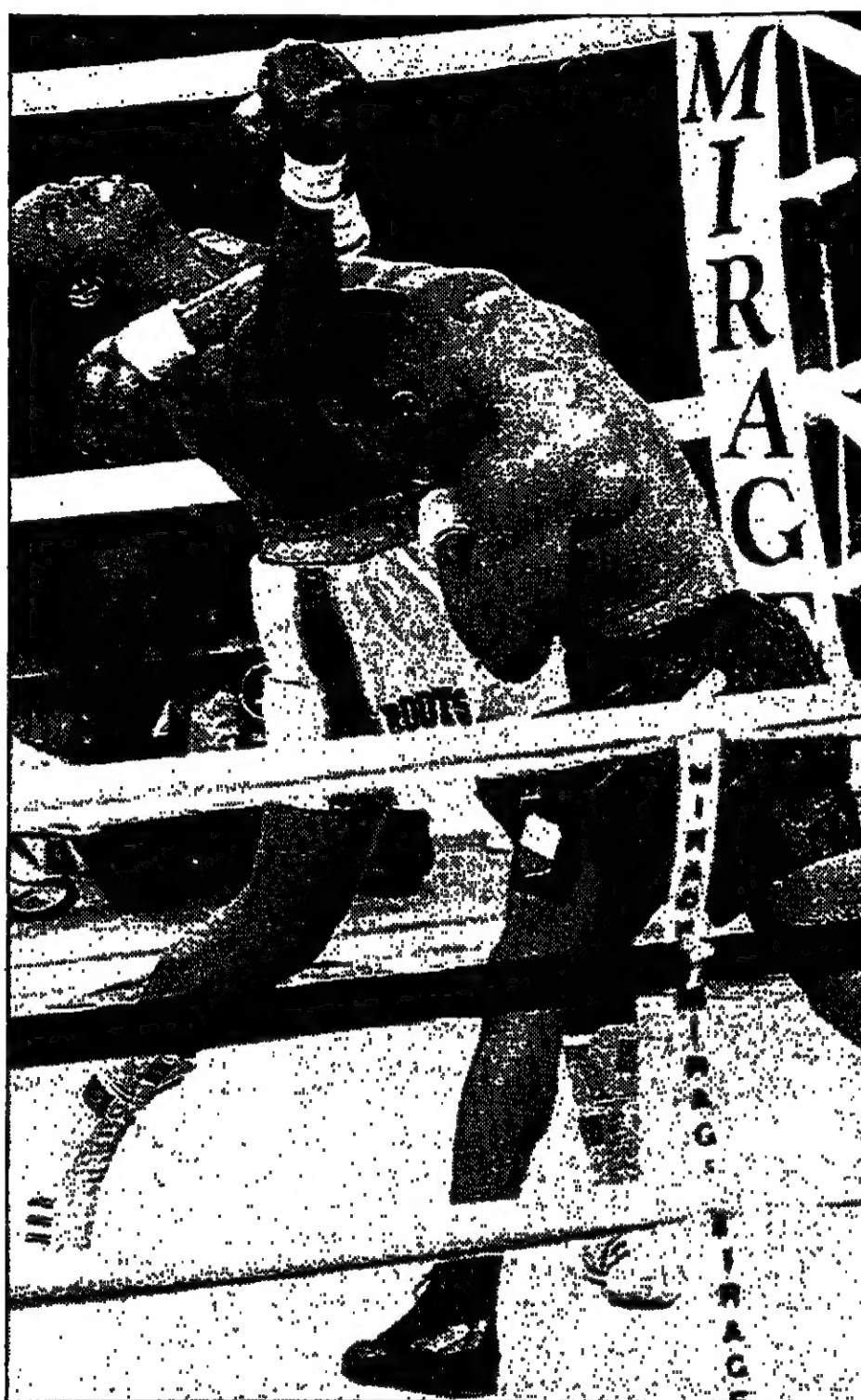
Clearly, the intervention had been too early for ringsters and the public; coming as it did after a strong revival by Ruddock and with Tyson looking unhappy in the sixth round. Delroy Ruddock, the boxer's older brother and manager, said: "The first opportunity to stop the fight, and they took it." Ruddock's men had not wanted Steele, for they believed he was too close to Don King. But their protest before the contest had been overruled by the Nevada Commission.

Delroy Ruddock got into the ring to protest, only to be hit by a punch and a neck-lock from Richie Giachetti, Tyson's chief trainer. Suddenly, the ring was filled with bursting with free-for-alls between cornermen and officials. Blunt words and blows were exchanged and sharp suits pulled as well.

Steele said afterwards in a statement: "The guy was hurt. There was no need in counting out. It's my job to stop him being seriously hurt and the next punch would have done. They are always coherent when the fight is over. He wasn't coherent. There were two human beings' lives on the line and nobody was going to let me let the fight go too far."

Ruddock's promoter, Murad Muhammad, said he would be protesting about Steele's refereeing to the Nevada Commission. "Mr Steele did exactly what we said he was going to do," Muhammad said. "As he stopped the fight, my fighter looked at him outraged."

Ruddock maintained that he could have boxed on. "I could have continued. You



Heading for a reverse: Tyson's razor-sharp right has Ruddock reeling backwards

take a good shot, recover and continue. He is the hardest hitter I have faced. I think a rematch is in order."

Tyson said: "I can't make a judgment on Richard Steele. He is an experienced referee and I am not his peer. I would have liked to have finished Ruddock off."

It was amusing to see Tyson enter the ring dressed in a suit borrowed from Andy Pandey, but and all, to ward off an icy wind from the snow-capped mountains. He looked small next to Ruddock, who weighed 228lb against Tyson's 217lb and at 6ft 3in stood 3½ inches taller than the former world champion.

Ruddock was fired up from the moment he entered the ring and had to be cooled down by one of his handlers, who emptied a bottle of water over his head. It was clear that a battle would unfold, even though Tyson was getting on top round by round.

Taking four out of the five rounds and landing the heavier blows, he could at no

time be said to be absolutely in control. At times he looked little more than just a "whacker". Ruddock took Tyson's best punches, picked himself up off the floor and, contrary to the belief that he had a weak heart, gritted his teeth and came right back at Tyson after every onslaught by the smaller man. Tyson admitted afterwards: "Oh, man, he punches like a mule kick. A couple of times he hurt me, but I refused to be hurt."

Ruddock's tactics were well conceived: to hit the incoming Tyson with uppercuts to deflect the overhand-right by meeting it with an extended left arm, and then tying him up close in. Ruddock said: "I didn't do the job because I knew it would not stop him. I relied on uppercut and left hook."

It worked well. Tyson took tremendous blows before getting close enough to floor Ruddock on two occasions. The first, in the second round, was more a slip than a knockdown. Ruddock caught

a left hook on his right arm. In the third, Ruddock was sent flying backwards by a left hook and had to take a count of eight. So cleverly did Ruddock negate Tyson's best efforts that Giachetti yelled at Tyson: "You are going to sleep a little. Stick to your game plan."

The fifth was Tyson's best round. A right uppercut almost lifted Ruddock off his feet. Ruddock seemed tired but kept plugging away with his own uppercut. His best round was the sixth; a left hook spun Tyson sideways and a right followed through. Tyson stepped back. Ruddock sent in a straight right and a left. For the first time Tyson backed up. He smiled and shook his head to show he was not hurt but Ruddock knew that when boxers do that, it means the opposite.

Suddenly, Tyson looked flatfooted. As Lennox Lewis, the British and European heavyweight champion, put it: "The sixth looked like Tokyo all over again."

## Elliott waves victory goodbye

PARETS del Valles, Spain (AP) — Alfonso Gutierrez, of Spain, took advantage of a finish-line lapse by Malcolm Elliott, of Britain, to win the second leg of the Catalan Week cycling race yesterday. Nestor Mora, of Colombia, retained the overall lead in the five-day race.

Elliott led the pack with metres to go but raised his hands in triumph before reaching the finish line, allowing the Spanish rider to edge him out. Elliott finished third, behind the Soviet, Dmitriy Abdujaparov.

Gutierrez took 4hr 26min 27sec to cover the 186-kilometre leg from Lloret del Mar to Paret del Valles. Abdujaparov and Elliott were awarded the same time.

The leg was filled with escapes but the pack was compact when it reached the final gradual ascent towards the finish line, where the sprint specialists took over.

The third leg, today, will be held over a 207.5-kilometre course from Barcelona to Andorra. It contains three tough climbs, the second-class Cardenera mountain pass, the third-class Ato del Claro and the first-class La Comella pass.

The race is set to end on Friday after a total distance of 764.5 kilometres.

RESULTS Second stage: 1, A Gutierrez (ESP); 4hr 26min 27sec; 2, D Abdujaparov (USSR); 3, M Elliott (GB); 4, M Mora (COL); 5, M Angel Iglesias (ESP); 6, K Walz (GER); all same time. Overall: 1, Nestor Mora (COL); 2, Gutierrez (ESP); 3, Elliott (GB); 4, V Ebanov (USSR); 5, J Heppner (GER); all same time.

## Lloyd hits out at selectors

BRIDGETOWN (Reuters) — Clive Lloyd, the former West Indies cricket captain, is puzzled by West Indies selection policy, particularly the omission of the batsmen, Carlisle Best and Clayton Lambert.

The West Indies team manager until last year, Lloyd said in a newspaper article that he felt the time had come to introduce younger players into the Test team.

"I am finding it very difficult to understand the method our selectors are using," he said yesterday. "At a time when we are searching for players to replace the old guard, I hope my plea has not fallen on deaf ears."

Best has played eight Tests for West Indies but Lambert finished eighth in this season's domestic Red Stripe Cup batting averages.

West Indies play a one-day international against Australia in Georgetown, Guyana, today and the second Test match starts there on Saturday.

## Faldo's change of clubs clinches £5m

By MITCHELL PLATT GOLF CORRESPONDENT

NICK Faldo is on the threshold of increasing his annual income to more than £6 million, even if he is unsuccessful next month in defending the Masters title he has won in the past two years.

Faldo is to sever his association with the Wilson Sporting Goods Company to join Mizuno, with whom he can expect to receive £1 million for each of the five years of his contract.

Faldo's earnings have risen to an estimated £4.5 million as he has become beyond doubt the No. 1 player in the world. He has contracts with Pringle (£1 million),

Audamars Piguet Watches (£500,000), Stylo Shoes (£500,000), Bic Razors (£400,000) and Bride Hall Developments (£100,000) to supplement his income from winnings (£500,000), appearance fees (£750,000), videos (£300,000), books (£75,000) and course design (£375,000).

The £1 million from Mizuno, with whom he will officially sign at the end of April, will increase his income to £5.5 million, and it is understood he is to sign two other contracts soon which will comfortably take him past £6 million.

Faldo, who rivals Nigel Mansell as the highest paid British sportsman, is also waiting to hear from the

planning departments in Bromley, Feltham and Staines to launch an academy with golf ranges based on a Golf For All campaign.

Faldo and Wilson have amicably agreed to go their separate ways, although it was the only solution as Faldo had found himself wrestling with the dilemma as to which club he should have in his bag.

John Simpson, who handles Faldo's business affairs, for the International Management Group, said: "Nick has enjoyed working with Wilson but he has found it psychologically difficult to move away from Mizuno, with whose clubs he won his first major, and with the contract with Wilson ending, he felt the time

was right to link with Mizuno. There is a financial consideration, of course, but the bottom line is that this is what Nick wants to do right now."

It is understood that Faldo, the winner of two Open championships and two Masters since he signed with Wilson in April 1987, could have profited more by signing with another club manufacturer.

"I have had four wonderful years working with Wilson, for whom I hope I have helped to design a successful range of clubs," Faldo said. "It is never easy to move on, but I feel the time is right for me to take that decision." He will hope to play an active role with Mizuno, helping in club design as he did with Wilson.

## Draw gives semi-final that no one wanted

THE draw for the semi-finals of the Schweppes Cup has thrown together Llanelli and Neath in what would have been everyone's perfect final (Owen Jenkins writes).

Postscript will tackle Swansea in the earlier of the back-to-back matches, to be played at the National Stadium on Sunday, April 7.

Neath are looking for their fourth consecutive final and third successive win. Llanelli were the last to beat them in the competition, winning the 1988 final, and will be slight favourites after their recent form since Christmas.

Gareth Jenkins, the Llanelli coach, said: "There is a big rivalry between the two clubs and I just hope that the stadium can cope with the occasion and the field allows us to play a different type of open game."

Kevin Phillips, the Neath captain, echoed Jenkins' worries about the pitch. "I would have preferred to have played first," he said. "Llanelli are slight favourites because they are playing well. We are not firing on all cylinders."

Pontypool v Swansea (1.30pm), Llanelli v Neath (3.45pm) (both matches at the National Stadium, Cardiff, Sunday April 7).

D 2 \*\*\*\*\*

Sympathy isn't enough. £25 is.

It takes money to keep a child like this safe from further harm. The NSPCC has Child Protection Officers working throughout the country to protect children at risk. A donation of £25 can help save a child's life. And when you consider that the NSPCC relied almost entirely on public donations to help 50,000 children last year, you'll understand why your donation is so vital. Please send £25.00 — more if you can — today. It'll do so much more good than just sympathy.

I WANT TO HELP A CHILD RIGHT NOW

I enclose my Cheque/Postal Order for: ☐ £75 ☐ £50

☐ £25 ☐ I would like to donate by

Access/Visa/American Express, expiry date

ACCOUNT NUMBER

Send your donation to: Christopher Brown Ref 911704 NSPCC

FREEPOST, London, EC1B 1QQ. Or ring 071-242 1626.

NAME: Mr/Ms/Ms/Ms

ADDRESS

POSTCODE

NSPCC

150-160